



WHY WE ARE FIGHTING

ANNUAL REPORT 2014/15

TURN2US
FIGHTING UK POVERTY

TURN2US

We help people to access support including welfare benefits, charitable grants and a range of services – online, by phone, and face-to-face through partner organisations and volunteers.

ENQUIRIES ON
OUR GRANTS
SEARCH DATABASE!

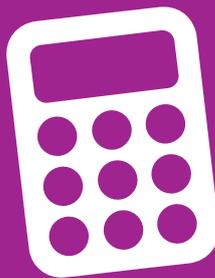
517,000

£102,000,000
OF ESTIMATED ADDITIONAL INCOME
AS A RESULT OF
OUR TOOLS
FOR THOSE WE HELP

£3,100,000
WAS AWARDED IN
DIRECT GRANTS
TO 4,813
BENEFICIARIES



948,000
COMPLETED
BENEFIT
CALCULATIONS



94,000
CALLS TO OUR
FREE HELPLINE

OUR WORK WAS SUPPORTED
BY OVER 300
VOLUNTEERS



3,900,000
UNIQUE VISITORS TO
TURN2US.ORG.UK

SIGNPOSTING
TO NEARLY
3,000

GRANT
GIVING
BODIES



THROUGH OUR GRANTS SEARCH DATABASE

MORE THAN

£5,000,000

FROM ELIZABETH FINN HOMES LTD

**INVESTED BACK
INTO THE CHARITY**





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WHAT IS POVERTY IN THE UK?



Earlier this year Turn2us took part in a TV debate which posed the question, “What is poverty in the UK?” The host suggested that the definition of poverty is when you can’t afford to take your family on holiday.

**| NOTHING COULD
BE FURTHER
FROM THE TRUTH.**

LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE

On a daily basis we hear the real life experiences that truly define poverty. It's about families having to go to bed early to avoid the cost of light and heat; parents skipping meals so that their children don't go hungry; an elderly neighbour rationing their use of hot water to one or two days a week. This is the poverty that we are here to fight.

This charity exists to change people's lives by getting practical help to where it is needed. And we really do help change lives for the better. We're frequently contacted by those whom we've helped, often with heart-warming stories of the transformational effect of our support.

Over the years we've broadened our range of support so that we stay relevant and effective, including extending our use of digital technology and social media to allow us to make a bigger impact at a lower cost. Our digital strategy is simple,

IT'S DOING WHAT WE'VE DONE SINCE 1897, BUT BETTER.

We couldn't do this without our dedicated Volunteer Visitors, talented staff and generous supporters. We are incredibly fortunate to have well over 300 volunteers whose compassion and commitment is inspiring. Some of you have been supporting the charity since the 1950s or 1960s and we have a simple message: you are truly amazing and we are so lucky to be working with you.

Over the last few months we've started to implement a programme of significant change across the charity as part of our strategy to support more people in financial hardship. That has meant some tough decisions too; but these are necessary to allow

us to continue to provide help for many more years to come. It was no mistake that we ran a large deficit in the aftermath of the recession, but if we are to maintain our support in future years we need to balance the books. We are pleased that this report will describe how that crucial work has already begun.

Part of that work is the decision to come under the single Turn2us brand. By consolidating our brand we will allow the charity to better focus our efforts in providing support, campaigning, awareness raising and fundraising, as well as allowing us to communicate in a more efficient and impactful way.

At the same time we are putting greater emphasis on our direct grant giving activity, something that has been at the core of who we are for over a century. That is why we will be awarding direct grants from a ring-fenced annual budget; the Elizabeth Finn Fund. This is a clear statement of our commitment to our charity's founding principles.

One thing is unchanging – the need for support that is both practical and compassionate. Actions will always speak louder than words and with your support we will continue to take action to fight poverty.

Bill Colvin
Chairman

Simon Hopkins
Chief Executive

OUR VISION:

**NO ONE
IN THE UK
SHOULD
LIVE IN
POVERTY.**

OUR MISSION:

To improve the lives of people living in poverty in the UK.

OUR ROLE:

We help people to access support including welfare benefits, charitable grants and a range of services – online, by phone, and face-to-face through partner organisations and volunteers.

OUR VALUES:



WE ARE COMPASSIONATE

We never forget that people are at the heart of everything we do.

WE ARE COLLABORATIVE

By working with others, and combining their talent and experience with ours, we can achieve more.

WE ARE OPEN

We're proud of what we do and how we do it. We are candid about the facts, and we acknowledge and learn from our mistakes.

WE ARE INNOVATIVE

We respond to what people need and we're always looking for new ways to make things better.

WE ARE DRIVEN

We are relentless in our fight against poverty. We will make a real difference to everyone we support.

TURN2US
FIGHTING UK POVERTY



STRATEGIC REPORT

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, submit their annual report and the audited financial statements for the year ended 31 March 2015 in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

STRATEGY AND LONG TERM PLANS

We remain ambitious to reach and help as many people as we can. This means we have to do more than be strong today, we must have a strategy that will allow us to be stronger in the future too.

Thanks to the historic legacy of generosity from our supporters the Charity has had the advantage of strong reserves for some time, and the acceleration in the scale of our work in recent years reflects a deliberate decision to dip into those reserves when some of the most vulnerable in society were being hardest hit. The increase in the numbers of people we have helped in recent years is considerable and it was undoubtedly the right strategy. But if we are to sustain this activity we need to plan for the future.

During 2014/15 Trustees and the Senior Management Team undertook a comprehensive strategic review of the Charity. As a result of this the Charity's structure will change with a more integrated operations function as well as all communications and marketing activity being merged into a single, smaller team. Much of this work has already been undertaken and the results are starting to bear fruit.

The percentage of the Charity's overall budget spent on charitable activity will increase in our plans as a result of our reduction in administration costs. This will include a commitment that the proportion of the budget allocated to direct grant giving will increase.

In the medium term it is also our intention to move more of our work onto a programme basis. This will give us greater flexibility and allow the charity to support more people by responding to where it is needed most. A key part

of this is how we measure our impact, and the charity is currently undertaking a major review of how we measure the difference that we make to people's lives. Statistics will be a key part of this, but as a charity that seeks to change lives we understand that it is only part of the story.

It will not happen overnight but the combination of balanced books and greater flexibility will give us the opportunity to consider further utilisation of our reserves on specific projects and campaigns. By targeting our resources towards specific programmes we can create a charity that is more agile whilst ensuring that the relatively fixed cost of ongoing services does not dissipate our reserves. The charity has always pushed to innovate over its 119 year history and there is no reason why we should stop now.

THE INCREASE IN THE NUMBERS OF PEOPLE WE HAVE HELPED IN RECENT YEARS IS CONSIDERABLE

We believe that the new brand of the Charity reflects that ambition: a leaner, driven Charity which helps in a way which is both compassionate and decisive so that we can make more of a difference to people's lives.

OBJECTIVE #1

#1

**TO DISTRIBUTE
DIRECT GRANTS
FOR A SERIES OF
TRUSTS AND FUNDS
MANAGED DIRECTLY
BY THE CHARITY**

- OUR OBJECTIVES -



Direct grant giving remains at the heart of the Charity, as it has been since we were founded by Elizabeth Finn.

A DIRECT GRANT, WHETHER IT IS TO HELP WITH LIVING COSTS OR TO REPLACE A BROKEN APPLIANCE, CAN TRANSFORM SOMEONE'S LIFE.

Our support can be immensely effective, especially in circumstances where an unexpected event has had a major impact.

But it's not all about money. The emotional support provided by our caseworkers, or from a visit by a volunteer, provides an invaluable layer of compassion and understanding that is a vital part of our work.

During the year we awarded a total of £3.1m in grants to 4,813 beneficiaries. These grants were from the range of funds controlled by the Charity. Core grants totalled £2.6m, with another £372k coming from the Edinburgh Trust, a restricted fund. We continue to tailor how we support our beneficiaries so that we can meet their needs more effectively. Our team of caseworkers are also trained in using Turn2us' wider range of tools so that our support is always given in the context of what broader help might be out there. As a result, it is commonplace for the final

outcome achieved for the beneficiary to exceed the value of that grant that we have awarded to them.

Volunteer Visitors remain central to this work and during the year we continued to provide training for new recruits. We now have 303 visitors across the UK and Ireland and Turn2us remains enormously indebted to them for this support.

We routinely keep our grant giving practices under review and during 2014/15 we started a shift from awarding ongoing support to utilising more flexible one-off and fixed term grants. This process will be conducted in a deliberately gradual fashion so that any short term disruption is avoided and will allow our team of experienced caseworkers to further tailor the support that they provide.

OUR PLANS FOR 2015/16

- ▶ Maintain grant giving at least at 2014/15 levels
- ▶ Create the Elizabeth Finn Fund as the vehicle for our core grant giving activity
- ▶ Work more extensively with intermediary organisations who will support our grant giving
- ▶ Investigate options for accelerating charitable activity for the restricted funds that we manage
- ▶ Continue to look for opportunities to provide services for other charities, funds and trusts where this offers the potential for an increase in support for those living in financial hardship

WE AWARDED A TOTAL OF
£3.1 **IN GRANTS**
MILLION **▶ TO 4,813**
BENEFICIARIES



OBJECTIVE #2

#2

**TO PROVIDE A
COMPREHENSIVE SET OF
CHANNELS AND RESOURCES
TO HELP PEOPLE IN
FINANCIAL HARDSHIP TO
GAIN ACCESS TO WELFARE
BENEFITS, CHARITABLE
GRANTS AND OTHER
SUPPORT SERVICES**

- OUR OBJECTIVES -



For our support to reach as broad an audience as possible

IT IS VITAL THAT WE TARGET OUR CHARITABLE ACTIVITY THROUGH A RANGE OF CHANNELS.

As more of our everyday lives are conducted online and through smartphones and tablets it is right that we have a strong focus on our digital services. It is therefore no surprise that the vast majority of contact with those we help comes in this way, as well as the more traditional channels that the charity will continue to pursue.

In 2014/15 the Turn2us website had 3.9 million unique visitors. Over the course of the year they completed 948,210 benefit calculations and 516,814 grant searches. We estimate that those who used our wider set of services outside direct grant giving had over £100m in additional income identified through our Benefit Calculator and Grants Search tools. In addition to this the Benefit Calculator was rated Highly Commended by Nominet.

Turn2us.org.uk also provides a wealth of information and practical guides, as well as links to other organisations offering help. This is supported by a small team of specialists who allow us to react quickly if we feel that a particular group needs urgent help, as well as providing bespoke support in specific cases.

Not everyone uses the internet and there are certain groups who we work with where this

is certainly the case. The charity has been providing our Turn2us.org.uk services via a free helpline for over 7 years now and last year we helped 68,725 people through this free service; ensuring our support reached an even wider audience.

One of the most significant areas of growth has been our partnership with intermediary organisations that provide our services directly to those living in financial hardship. We reached an increasing number through intermediary organisations last year and we continue to foster these relationships to ensure that we can be more effective in targeting specific areas in desperate need.

As our essential front line it is vital that we have consistency and clarity across all of the activity carried out by intermediaries on our behalf. This will continue to be supported by our national training programme and last year we conducted a number of training sessions for intermediary organisations.

As our new brand starts to take hold, we anticipate an increase in participation in training and a greater recognition from those receiving our support of the role that Turn2us can play in supporting the lives of those for whom we can make a difference.

OUR PLANS FOR 2015/16

- ▶ Introduce a new website which will combine the services of both Elizabeth Finn Care and Turn2us together in a more integrated and user friendly way. (Phase 1 completed in May 2015)
- ▶ Continue to improve our helpline service to increase its efficiency and the range of support on offer. (This includes the commissioning of a new service provider in April 2015)
- ▶ Create and roll out a more unified Volunteer Visitor strategy
- ▶ We will review our training and intermediary programmes in order to improve them further

**£3.9
MILLION
UNIQUE VISITORS
▶ TURN2US
WEBSITE IN 2014/15**

OBJECTIVE #3

#3

**TO PROVIDE A FOCAL POINT
FOR GRANT GIVING AND
FOR OTHER FINANCIALLY
RELATED NOT-FOR-
PROFIT ORGANISATIONS
TO TACKLE POVERTY**

- OUR OBJECTIVES -



WE RECOGNISE THAT WE CAN HELP MORE PEOPLE IF WE JOIN FORCES WITH OTHERS

and nowhere is this better illustrated than in grant giving. The sector is highly collaborative in this area and Turn2us has continued to play a central role in its promotion.

Our Grants Search tool now includes nearly 3,000 grant-giving bodies and acts as a vital means of access to the wider benevolent sector, thus enabling more help to be found by individuals and families than would be possible to give access to, if working in isolation.

We provide more grass roots support too. In a bid to promote our work in Ireland the charity organised a special event where we invited representatives from over 40 Irish charities. These partnerships, in addition to those nurtured across the UK for many years, will allow us to continue to be regarded in the sector as a key partner in the alleviation of poverty.

As organisations continue to look for new and innovative ways to support their employees, and in many instances customers too, the charity is continuing to allow our Turn2us.org.uk services to be integrated into third party sites. This is fast becoming an exciting and proactive way of broadening our awareness, and the remuneration received through these partnerships helps to keep these crucial services running.

In 2008 Turn2us created and facilitates the Charity User Group which allows us to share experiences, ideas and best practice throughout the grant-giving sector.

OUR PLANS FOR 2015/16

- ▶ Extend the number of charities we partner with, with a particular focus upon integrating our digital tools
- ▶ Extend our partnerships to include more charities working in areas such as health and disability where there is a strong correlation with poverty
- ▶ Work with selected partners where together we can facilitate access to practical resources
- ▶ Continue to take a collaborative approach to campaigns

TURN2US **3,000**
GRANTS SEARCH TOOL NOW INCLUDES NEARLY
GRANT-GIVING BODIES

OBJECTIVE #4

#4

**TO RAISE AWARENESS OF
PRACTICAL HELP AVAILABLE
TO THOSE LIVING IN
FINANCIAL HARDSHIP**

- OUR OBJECTIVES -



WE BELIEVE IT'S NOT ENOUGH FOR RESOURCES TO JUST SIMPLY EXIST.

Without creating awareness for our support we will always be limited in the help that we can give.

Our campaigns are critical in highlighting the support available through Turn2us, as well as the broader support that those living in financial hardship can have access to.

In a sector that is becoming increasingly vocal on government policy we believe that as a charity we can do more by focusing on the practical difference that we make to people's lives. That doesn't mean we stay silent on issues affecting those we seek to support; but we do so in a collaborative manner. This has included the charity taking part in a number of formal and informal consultations with relevant departments such as HM Treasury and the Department for Work and Pensions.

The charity has received considerable press coverage over the past year in print, digital and broadcast media. This has included featuring on BBC News, ITV News at Ten and Sky News. In addition to this our digital marketing and social media channels have grown substantially. As Turn2us consolidates the strength of its two former brands we anticipate that our media profile will grow and further support our charitable objectives.

BE AWARE

In Spring 2014 the 'Be Aware' benefits awareness campaign highlighted the issues facing the recently unemployed, as well as looking at what support is available for those facing 'in-work poverty'. The campaign was supported by twenty-two partner organisations and we saw over fifty thousand people complete benefits searches; an increase of thirteen percent on the comparable 2013 campaign.

GO FOR A GRANT

Every year millions of pounds worth of charitable grants which are available for struggling individuals and families simply don't get accessed. In Autumn 2014 we held the 'Go For a

Grant' campaign to help address this. Over 49,000 people completed a Turn2us grant search as a result, almost double the previous campaign. The campaign also received over 10,000 visits to the website from social media.

CUT OUT THE COLD

In Winter 2014/15 we ran our annual fuel poverty campaign. Over a million families in the UK are struggling with fuel poverty and the campaign set out to provide practical advice on how to deal with this issue. As a result, more than 105,000 benefits calculations were completed, with almost 500 people signing up to the "Cut Out The Cold Club" to receive weekly email updates.

OUR PLANS FOR 2015/16

- ▶ Broaden the reach of our campaigns to raise greater awareness of our work to those that rely on our support
- ▶ Continue to grow our presence on social media and use this to increase support and advocacy
- ▶ Use the new single brand to increase further the impact of our campaigns and communication activity so that even more people are aware of the help available to them
- ▶ Introduce greater fundraising and brand awareness objectives to campaigns to ensure that the charity effectively uses all of its resources to make an impact
- ▶ Forge stronger links with mainstream media and continue to be seen as an expert voice of the issues of concern to those living in poverty in the UK and Ireland

OBJECTIVE #5

#5

**TO RUN OUR AFFAIRS
IN A PROFESSIONAL
AND FINANCIALLY
SUSTAINABLE MANNER**

- OUR OBJECTIVES -



Financial and operational sustainability are critical in ensuring that we can maintain our work in the long term.

WE ARE REALISTIC IN OUR ASSESSMENT THAT THE SUPPORT WE PROVIDE WILL BE NEEDED FOR YEARS TO COME.

So whilst we are unapologetically impatient in wanting to get help to as many people as quickly as possible, we know that the Charity needs to be financially resilient.

The Charity's revised strategy is designed to deliver the strategic goal of putting the charity on a strong financial footing for 2016/17 and beyond; we are pleased to report that we are well on track to achieve this aim.

This will result in a much lower cost base but with a deliberately greater proportion of the overall budget being applied to direct grant giving. We have introduced a slimmer management structure; similarly we have taken the opportunity to reduce the size of our head office with further significant savings resulting. Additionally we have been able to drive savings on the cost of the helpline and in a number of other operational areas.

As part of this work we merged our separate operational teams into a single division under a combined Director of Operations. This will not

only allow us to work in a more efficient way but it will make it easier to integrate our work across the Charity.

Overall the charity's income increased in line with expectations. Our investments continue to perform well and Elizabeth Finn Homes Limited continues to support the charity as a mature and well-managed asset. Unrestricted donations and grants received fell below the previous year although some significant funds were raised relating to specific, restricted programmes. Our work on securing commercial partnerships has progressed, albeit slowly, and we are now seeing more trading income flowing through. We have also been successful in accelerating non-core property disposals via an improved asset plan.

OUR PLANS FOR 2015/16

- ▶ Continue to invest in our 9 excellent care homes to ensure that they retain their reputation for the very highest standard of care
- ▶ Continue to seek relevant and appropriate corporate partnerships
- ▶ Complete the restructuring of the Charity
- ▶ Drive down administrative costs across a number of areas
- ▶ Exploit wider channels for fundraising, such as social media and campaigns, and give more focus to recruiting new supporters
- ▶ Continue to implement our asset plan for non-core properties in order to release funding to reserves

ON A STRONG FINANCIAL FOOTING FOR 2016/17 AND BEYOND

RAISING VITAL FUNDS

Fundraising remains a vital source of income for the charity and we are fortunate in being supported by a network of supporters who are generous with both their time and money.

The merger of the two brands simplifies 'who we are' and the greater clarity and impact that have resulted are already having a positive effect on the future fundraising outlook. Coupled with this will be a review of how the charity measures its impact and this will include greater insight into the effectiveness of our fundraising and marketing campaigns.

Our programme of applications to charitable trusts continued throughout the year, generating significant income, including a grant from The Garfield Weston Foundation supporting Turn2us training workshops.

We sent out three appeal mailings to EFC donors, the "Now is the time" appeal in early summer 2014, the "Tackling Poverty – Transforming Lives" appeal in autumn 2014. This year we also introduced an Annual Review mailing and appeal in Spring 2015 which helped raise vital funds from existing supporters.

We introduced our first donor e-newsletter in August 2014 and in November it was decided to make this a monthly update. This is a very cost-effective way of keeping supporters aware of all we do and response has been very positive.

We saw an increase in individuals undertaking challenges in support of the charity and this year brought our first skydivers. We also had five London Marathon runners, five runners in the BUPA London 10k and a runner in the Robin Hood half marathon in

Nottingham. Our supporters braved the London to Brighton cycle route in September 2014 too.

As part of the broader branding work this was the first year in which we included application forms for London Marathon and other challenge event places on the Turn2us website, as well as publicity about sporting challenge events on the Turn2us homepage. These positive steps have now been fully implemented into the newly merged Turn2us.org.uk site.

As an element of our legacy promotion work we developed a Capturing History and Memories project which we promoted on the website. The campaign targeted older people who might have positive memories of our days as the Distressed Gentlefolks Aid Association and has allowed the charity to add to its historical archive for future campaigns. In addition to this the Chief Executive wrote personally to hundreds of donors who have supported our work for many years, asking them to consider leaving a legacy in support of our work in their will.

2015/16 will be the first year that the charity promotes itself under the new brand and as a result there will be a concerted effort to ensure that future campaigns have a stronger fundraising focus. In particular the Communications and Fundraising teams will look to promote social media and digital communications as a channel for raising income and generating broader support. This will include a major campaign in Winter 2015.



**HOPE PLUMB GOING
THE EXTRA MILE IN THE
LONDON MARATHON
APRIL 2015**

OUR PLANS FOR 2015/16

- ▶ Work with existing supporters across the charity to ensure that the fundraising potential of the new brand can be realised
- ▶ Continue to build on our success in encouraging a broader audience to support the charity through challenge events and other fundraising activity
- ▶ We will ensure that fundraising has a greater role in campaigning and allow the new brand to boost donations to the charity
- ▶ Social media and digital marketing have a vital role in our fundraising activity and we will continue to innovate and find new ways to attract support through these channels



ELIZABETH FINN HOMES LIMITED

Elizabeth Finn Homes Limited (EFHL) is a fully owned subsidiary of Turn2us and is responsible for the management and operation of the Charity's nine Care Homes and eleven almshouses.

It is a key objective for the homes to provide "Exceptional Care for the Individual". This is realised through a keen focus on the provision of individually tailored premium quality care, employing the best people, a constant regard for the quality of the Homes and their facilities, and prudent financial management.

All Homes inspected by the Care Quality Commission were awarded an overall rating of "Good", with an "Outstanding" rating being achieved in a number of sub-categories. One-third of our Homes have now achieved the Gold Standard Framework accreditation for End of Life Care, with a further third commencing the accreditation process during the year.

We continue to encourage all staff to develop their personal skills and during the year we were pleased to have 3 individual finalists in a variety of national and regional care industry awards. In addition to this individual recognition EFHL was a finalist in both the Best Care Home Group category at the National Care Awards and in the Best Employers in Hospitality Awards.

The social engagement offering at our Homes continues to develop and flourish, facilitating the provision of an active, creative and vibrant care service.

Occupancy for the Group averaged 93% during the year. The performance for the year has resulted in a contribution of over £5.0m in both rent and surplus payable to Turn2us to help fund its charitable activities. Under the deed of covenant between EFHL and the Charity, EFHL will pay its £1.9m surplus to the Charity during the forthcoming financial year and the Charity will add that to its unrestricted reserves.

2014/15 has seen the continued investment of significant sums by the Group into our Homes to keep physical standards as high as possible. In addition to this, Care Planning and Time and Attendance IT systems have been fully implemented during the year, driving innovation in care delivery and efficiencies in financial and administrative processes.

OUR PLANS FOR 2015/16

- ▶ 2015/16 will see the final phase of implementation of a fully integrated care home management IT system which will provide further efficiencies in financial processing and reporting
- ▶ Social engagement will continue to be a focus for development and innovation
- ▶ Three of our Homes will be aiming to achieve the Gold Standard Framework accreditation for End of Life Care, a process that began in 2014/15
- ▶ We feel that it is vital to continue to re-invest in the physical environment of our Homes in order to enhance standards and to ensure that we remain competitive in the market place
- ▶ As in previous years, our success for 2014/15 and our ability to fulfil our future objectives are only possible through the commitment and hard work of our employees, every single one of whom has an impact on the care, wellbeing and happiness of our residents

“ THE HOMES CONTINUE TO SUPPORT THE VITAL WORK OF THE CHARITY WHILST PROVIDING THE VERY HIGHEST STANDARD OF CARE FOR OUR RESIDENTS ”

FINANCIAL REVIEW OF THE YEAR

The Charity, its two subsidiaries, Elizabeth Finn Homes Limited (EFHL) and Elizabeth Finn Trading Limited (EFTL), and the six charities for whom the Charity was the sole trustee during the year are included in the Consolidated Statement of Financial Activities (SOFA), Balance Sheets, Cashflow Statements and Associated Notes set out on pages 32 to 48.

The Charity continued to progress its Achieving Financial Sustainability (AFS) plan, aimed at achieving sustainability by 2016/17 in a controlled manner. Income has increased faster than costs this year, enabling the group to greatly improve the net deficit position (before gains) from a £3.9m deficit in 2014 to a £2.4m deficit in 2015.

Voluntary income (legacies and donations) reduced by 13%, with donations at £392,000 (2014: £421,000) and legacies at £1,123,000 (2014: 1,324,000). Legacies were slightly down year on year, but remained within the target range. Fundraising remains challenging and this challenge has been one of the reasons for unifying and simplifying our brand, so as to show more clearly how funds raised will be directly used to help those in need.

The 8% increase in the income from the nursing home subsidiary (EFHL) is the result of the excellent achievement of a 93% resident occupancy level during the year, as described in the EFHL section on page 20.

The level of dividends and interest yield has increased by 6.5% this year, as companies in whom we have invested have paid out higher dividends, based on achieving their earnings targets. There have been no major

changes in investment policy this year and so this result has been achieved despite some planned withdrawals from investments to serve working capital needs. The benchmark set for investment managers' performance is LIBOR + 5%. The 1 year return to 31 March 2015 was 10.74% vs the benchmark of 5.58%, a good short term performance. The 5 year return to 31 March 2015, which gives a longer term indicator, was 6.55% vs the benchmark of 5.62%.

Restricted fund grants of £115,000 have been received to specifically make grants in Ireland.

Income from trading activities for charitable benefit has grown again to pre-2014 levels and the related costs have risen in accordance with the increased activity. This work represents contractual partnerships with other organisations to reach out to help those in need, using the website, helplines and intellectual property of Turn2us.

Income Generation & Communication costs dropped by 23%, reflecting further efficiencies as part of the AFS and will continue to reduce as the full effect of streamlining is seen.

Costs of self-funding residential and nursing care rose by 6%, reflecting the higher staffing hours needed to support the higher



occupancy rate, the staff pay review and the rise in other costs during the year.

Bank loan interest payable dropped by 10% this year as planned. Interest is payable quarterly on the outstanding balance of the Santander secured medium term loan. Quarterly capital repayments amounting to £743,000 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 nursing homes.

Investment management costs rose by 2.6% to £232,000. These costs are chargeable based on the value of the portfolio on a quarterly basis and the increase reflects the increase in value of the portfolio.

Costs of charitable activities have either varied with the level of underlying activity or have reduced due to the changes made under the AFS plan.

Part of AFS involves releasing capital by selling property which is not needed for core activity. The gain from selling 2 residential properties this year has realised a welcome profit of £864,000.

A number of transfers between funds have been made in the year to reflect the reallocation of unrealised and realised gains between restricted and unrestricted funds, so as to better represent the proportions attributable to each.

Stock market valuations as at 31 March 2015 led to £2.6m of realised and

unrealised gains being recorded for this year (2014: £211,000 loss).

The property and investment gains assisted the Charity in achieving an overall surplus of £1.1m (2014: £4m deficit).

Balance Sheet

Net assets increased by £1.1m, primarily due to the 0.4% net increase in investment values due to high stock market valuations as at 31 March 2015.

RISKS

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

Risks have been categorised both by the likelihood of their occurring and by their potential impact on the Charity. 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 considers identification and mitigation of risks.



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 considering 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's governance is kept under regular review and during the year some refinements were instigated which reflect the Charity's new strategy and business model. As a result the previous committees overseeing the work of our former Grants and Turn2us teams have now been merged and an Operations Committee introduced. The Finance Committee has taken on the task of monitoring the Charity's broader internal change programme as we undergo the restructuring necessary to achieve greater financial sustainability.

CHANGES TO TRUSTEES

Michael Pavia stood down as trustee and treasurer this year. Michael has served in this capacity for 5 years on the Board of Trustees. He has brought a wealth of practical sense, respectful challenge and good humour to the

Board and has played a pivotal role in supporting the previous and current Chief Executives during the development of a revised financial strategy.

Fred Payne also stood down as a trustee during the year. Fred has been an energetic and innovative presence over the last few years as the Charity has evolved and developed new ways of helping people. His generosity and creativity has been a huge asset over this period.

Richard Midmer joined the board as trustee and treasurer in June 2014. Richard brings a wealth of experience in financial and commercial management, combining strategic insight with a sharp eye for detail.

PUBLIC BENEFIT STATEMENT

As its main activity, the Charity must have charitable purposes or 'aims' that are for the 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 prime aim of assisting people who live in poverty and all of its resources are focused on achieving that aim. The potential number of beneficiaries that are eligible for grants is estimated to total 3.8 million adults in the UK and approximately 300,000 adults in the Republic of Ireland and many expatriates.

IT IS ESTIMATED THAT THERE ARE OVER 13 MILLION PEOPLE LIVING IN POVERTY IN THE UK

Through Turn2us the Charity aims to reach anyone living in financial hardship. It is estimated that there are over 13 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 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 free national helpline and website services. 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. As such, our policy is to retain at least 12 months' of charitable expenditure and the operational costs of non-care home activity in free reserves. As of 31 March 2015, free reserves represented 23 months of such available funding.

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 EFHL. These Designated Funds are also regarded as free reserves.

Some years ago Trustees took a deliberate decision to utilise free reserves to accelerate and extend activities in order to help more people living with financial hardship. In 2012/13 it was agreed that the Charity should embark on a plan to reach underlying sustainability by 2016/17. As described elsewhere in this report, that plan is now well advanced and on track to meet the original sustainability objective during the 2016/17 financial year.

INVESTMENT POLICY

The Charity's investment policy recognises three critical groups of assets:

- ▶ a property portfolio, primarily 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 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 scenario in raising funds and in the value of the more volatile types of asset.

The Edinburgh Trust has a separate investment portfolio which has both an asset disposition and 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 consolidated into the main discretionary portfolio to optimise total returns in the long term.

Investments are managed by two investment managers: Smith & Williamson Investment Management Ltd and JLT Wealth Management. The Charity's Investment Committee monitors the performance of the funds under their control on a regular basis using defined benchmark criteria.

Given current progress against the Charity's longer term sustainability objective, the Trustees have indicated their intention to conduct a comprehensive review of investment management arrangements during 2015/16.

The majority of property assets are reviewed as part of the continuing assessment of performance of the dedicated care homes subsidiary 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. During the year two non-core properties were disposed of and the proceeds of these sales were added to unrestricted funds.

VOLUNTEERS

The Charity is fortunate to have a large number of committed, informed and inspirational volunteers. These include our National and County Committees who find new ways of raising vital funds and who maintain the profile of the Charity. Our volunteer case workers tirelessly go the extra mile for those whom we help directly. In 2014/15 we had over 300 volunteers fulfilling this vital role in the Charity's work.

STAFF

We have a paid workforce of 656 staff, who are based across the UK. Of this workforce, 585 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.

NATIONAL AND REGIONAL REPRESENTATION

National Officers are in place to represent Ireland, Scotland and Wales and coordinate national solutions across the Charity. County Committees represent and coordinate the activities of supporters of the Charity at local level.

CHARITABLE ACTIVITY IN SCOTLAND

The Charity has 12 volunteers as visitors and supported 1,717 beneficiaries in Scotland, with grants totalling £410,000 in 2014/15. The Turn2us website was widely used in Scotland for benefit

checks and grants searches. Around 5% 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 is known as Haugh Street Care Home and it is operated by Bield Housing and Care Association under the terms of a management agreement with the Charity.

In May 2015 the Charity reached agreement with Bield Housing and Care Association to sell the home to Bield, who have managed the home on behalf of the Trust and its predecessor bodies for many years. In the opinion of the Trustees, this sale provides strong continuity and security for the residents of the home. Any surplus realised from the sale will be ring-fenced and 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 advise the Charity on the management of the Trust and includes the Lord Provost (ex officio) and a Councillor from the City of Edinburgh Council.

1581 beneficiaries were supported in the year 2014/15 through the Edinburgh Trust with grants and nursing home contribution totalling £372,000.

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



BOARD OF TRUSTEES

The Charity's Trustees as at 28 July 2015 and those who served as a Trustee in the financial year ended 31 March 2015 were as follows:

Mr Bill Colvin CA* (Chairman)

Mr Michael Pavia FCA*
(Hon Treasurer – retired 6 October 2014)

Mr Matthew Baker*

Mr Henry Elphick

Mr Mark Guymer

Ms Catherine Hamp

Mr Bryan Laxton

Ms Christine Lenihan

Mr Jeremy Nettle*

Ms Sally O'Sullivan

Mr Fred Payne (Retired 24 September 2014)

Mr Richard Midmer*
(Hon Treasurer – appointed 3 June 2014)

*Members of the Audit and Risk Committee

Senior Executives

(to whom responsibility for the day to day running of the Charity is delegated by Trustees)

During the year the senior management team was restructured to reflect the Charity's revised business model. Prior to that restructure, the senior management team comprised of:

Chief Executive

Maj Gen (Retd) Matthew Sykes CVO
(resigned 30 October 2014)

Deputy Chief Executive & Group Finance Director

Mr Simon Hopkins (to 30 October 2014)

Director of Elizabeth Finn Grants

Mr Bryan Clover (to 31 January 2015)

Director of Turn2us

Mrs Alison Taylor (to 31 January 2015)

Director of Information Technology

Mr Justin Macklin

The new senior management structure now comprises:

Chief Executive

Mr Simon Hopkins (from 31 October 2014)

Director of Operations

Mrs Alison Taylor (from 1 February 2015)

Director of Transformation Planning

Mr Bryan Clover (from 1 February 2015)

Director of Information Technology

Mr Justin Macklin

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' Annual 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).

Company law requires the 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 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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.

AUDITORS

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 28 July 2015

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 2015 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).

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 20 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 2015 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 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

Nicholas Brooks (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.

BANKERS AND PRINCIPAL ADVISORS

Auditors

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

Solicitors

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

Bankers

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

Investment Managers

Smith & Williamson Investment Management Limited
25 Moorgate, London, EC2R 6AY

JLT Wealth Management
23 Cathedral Yard, Exeter, Devon, EX1 1HB

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



FINANCIAL STATEMENTS

Elizabeth Finn Care, trading as Turn2us
31 March 2015

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

	Notes	Unrestricted Funds £'000	Restricted funds £'000	Endowment Funds £'000	Total Funds 2015 £'000	Total Funds 2014 £'000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income:						
Donations	3	295	97	-	392	421
Legacies	3	1,107	16	-	1,123	1,324
Activities for generating funds:						
Self funding residential and nursing care		24,371	-	-	24,371	22,548
Other Activities	4	31	-	-	31	-
Investment Income	5	1,086	699	-	1,785	1,676
Incoming resources from charitable activities						
Grants		9	115	-	124	23
Trading activities for charitable benefit		1,020	-	-	1,020	619
Total incoming resources		27,919	927	-	28,846	26,611
RESOURCES EXPENDED						
Cost of generating funds						
Income generation and Communications	6	934	-	-	934	1,210
Self-funding residential and nursing care	6	20,036	-	-	20,036	18,839
Bank loan interest	6	504	-	-	504	557
Investment Management costs	6	182	50	-	232	226
Total Cost of Generating Funds		21,656	50	-	21,706	20,832
Net incoming resources available for charitable application		6,263	877	-	7,140	5,779
Costs of Charitable activities						
Turn2us	6	2,994	-	-	2,994	3,180
Assistance given to those in need (grants and allowances) and Dementia Care	6	2,560	546	-	3,106	3,393
Casework	6	1,636	116	-	1,752	1,684
Costs of caring for Homes' residents who are supported by the Charity	6	528	-	-	528	596
Trading activities for charitable benefit	6	783	-	-	783	492
Expenditure in furtherance of charitable objectives		8,501	662	-	9,163	9,345
Governance costs	6	345	-	-	345	296
Total resources expended		30,502	712	-	31,214	30,473
Net (expenditure)/income for the year before gain on property sale		(2,583)	215	-	(2,368)	(3,862)
Gain from sale of property	10	864	-	-	864	73
Net (expenditure)/income for the year before transfers		(1,719)	215	-	(1,504)	(3,789)
Transfers between funds	14	(905)	850	55	(0)	-
Net outgoing resources after transfers between funds		(2,624)	1,065	55	(1,504)	(3,789)
Recognised gains and losses						
Net realised gains/(losses) on investments		822	(225)	-	597	1,240
Net unrealised gains/(losses) on investments	9	1,049	990	-	2,039	(1,451)
Net(decrease)/increase in Funds		(753)	1,830	55	1,132	(4,000)
Total funds brought forward as reported		31,413	16,671	1,552	49,636	52,879
Capital received from other Trusts	14	-	-	4	4	757
Total funds carried forward 31 March 2015		30,660	18,501	1,611	50,772	49,636

The result for the year for Companies Act purposes is the net income/(expenditure) for the year after exceptional gain, as shown above. All the above results are derived from continuing activities and this financial statement includes all gains and losses recognised in the year. The accompanying notes on pages 36 to 48 are an integral part of this financial statement.

Elizabeth Finn Care, trading as Turn2us
31 March 2015

Consolidated and Charity Balance Sheets as at 31 March 2015

	Notes	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Fixed Assets					
Tangible assets	8	7,281	7,367	7,281	7,367
Investments	9	52,895	52,704	52,895	52,704
		<u>60,176</u>	<u>60,071</u>	<u>60,176</u>	<u>60,071</u>
Current Assets					
Debtors	11	1,240	852	489	1,749
Cash at Bank and in hand	12	<u>2,451</u>	<u>1,536</u>	<u>479</u>	<u>779</u>
		3,691	2,388	968	2,528
Creditors					
Amounts falling due within one year	13	<u>(4,961)</u>	<u>(3,946)</u>	<u>(2,238)</u>	<u>(4,086)</u>
Net current assets / (liabilities)		(1,270)	(1,558)	(1,270)	(1,558)
Total assets less current liabilities		<u>58,906</u>	<u>58,513</u>	<u>58,906</u>	<u>58,513</u>
Long term creditors	16	(8,134)	(8,877)	(8,134)	(8,877)
Net assets	14	<u><u>50,772</u></u>	<u><u>49,636</u></u>	<u><u>50,772</u></u>	<u><u>49,636</u></u>
Funds:					
Permanent Endowment	14	1,611	1,552	1,611	1,552
Restricted	14	18,500	16,671	18,500	16,671
Designated	14	7,282	7,367	7,282	7,367
Unrestricted Reserves	14	23,379	24,046	23,379	24,046
Total funds	14	<u><u>50,772</u></u>	<u><u>49,636</u></u>	<u><u>50,772</u></u>	<u><u>49,636</u></u>

The accompanying notes on pages 36 to 48 are an integral part of these balance sheets.

Approved by the Board of Trustees on 28 July 2015 and signed on their behalf by:

William Colvin
Chairman

Elizabeth Finn Care, trading as Turn2us
31 March 2015

Consolidated Cashflow Statement for the year ended 31 March 2015

	2015 £'000	2014 £'000
(a) Net cash outflow from operating activities (see (b))	(3,360)	(5,805)
Returns on Investments		
Dividends	1,253	1,194
Interest	<u>532</u>	<u>482</u>
	1,785	1,676
Capital Expenditure and Financial Expenditure		
Receipt of endowment and restricted funds from Trusts	4	757
Purchase of endowment investments for Arthur Hurst Will Trust		(737)
Purchase of fixed assets	(146)	(34)
Purchase of investment securities and investment property	(5,506)	(7,500)
Receipts from sale of investment securities	8,093	8,940
Proceeds from sale of property	930	343
Net cash inflow/(outflow) from investing activities	<u>1,800</u>	<u>(2,360)</u>
Management of liquid resources		
Decrease in short-term deposits held by investment managers	(142)	774
(Decrease)/Increase of cash in the year	<u>1,658</u>	<u>(1,586)</u>

b) Reconciliation of net outgoing resources for the year to net cash outflow from operating activities

	2015 £'000	2014 £'000
Net (expenditure)/income for the year after exceptional gain and before transfers	(1,504)	(3,789)
Returns on investments (as above)	(1,785)	(1,676)
Depreciation charges	166	118
Gain from sale of property	(864)	(73)
Actuarial loss on defined benefit pension scheme	-	-
Decrease/ (Increase) in debtors	(388)	356
(Decrease) / Increase in creditors	1,015	(741)
(Decrease) in pension liability	-	-
Net Cash outflow from operating activities	<u>(3,360)</u>	<u>(5,805)</u>

c) Reconciliation of net cash outflow to movement in net cash funds

	2015 £'000	2014 £'000
(Decrease) of cash in the year (see (a))	1,800	(2,360)
(Increase)/Decrease in short-term deposits held by investment managers	(142)	774
Bank loan (decrease)/ increase	<u>(743)</u>	<u>(743)</u>
Movement in net cash funds in year	915	(2,329)
Net cash funds as at 1 April	1,536	3,865
Net cash funds as at 31 March	<u>2,451</u>	<u>1,536</u>

Elizabeth Finn Care, trading as Turn2us
31 March 2015

Notes forming part of the financial statements

1 Status of Company

Elizabeth Finn Care 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 49. 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

The accounting policies are:

- a) The accounts, incorporating the Statement of Financial Activities (SOFA), are prepared on the historical cost basis, except for investments as described in f) below. They have also 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, the Charities Act 2011 and comply with UK GAAP. They also abide by the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005, as updated in 2008. 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 15.
- 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, Turn2us, Turntous and Elizabeth Finn Trading Limited.
- c) Income is credited to the SOFA on an accruals basis except that donations and investment income are not credited until received. Legacy income is recognised at the earlier of the income being received or the certainty of entitlement to a legacy where the amount is capable of being quantified with reasonable accuracy.
- d) All expenditure is charged to the SOFA on an accruals basis including the charge for VAT which is not recoverable. Central support 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. Governance costs include the estimated relevant staff time, external audit fees, cost of professional indemnity insurance for Trustees and other Trustees' costs and expenses.
- 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 & software - 20% straight line basis

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 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 2015. Gains and losses on disposals or revaluations of investments are charged or credited to the SOFA.
- g) Foreign currency balances have been translated at the rate current at 31 March 2015.

Elizabeth Finn Care, trading as Turn2us
31 March 2015

Notes forming part of the financial statements (continued)

2 Accounting Policies (Continued)

- h) 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. Likewise, the Charity has permanent endowments, the capital and income of which are shown separately on the SOFA and on the Balance Sheet. They are itemised in Note 14.
- i) Certain expenditure relating to fundraising events has been netted off against income from the same events.
- j) Fund accounting

Permanent Endowments - these represent funds permanently held in trust for the charity. For further details on endowment funds see Note 14 to the accounts

Restricted - this represents funds received for preferential purposes specified by the donor or by the charitable objects of the charities that have merged with Elizabeth Finn Care

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 approved.
- l) Operating Leases: Rents paid under operating leases are charged to the Statement of Financial Activities equally over the lease term.
- m) **Pensions**
The Charity has adopted full disclosure of the accounting standard FRS 17 for the defined benefit pension scheme. The service and finance costs of the Scheme are allocated to specific activities of the resources expended based on staff entitlement. The Scheme's actuarial gains and losses based on market value of the investments and actuarial valuation of its liabilities as at the financial year end are recognised in the 'Other recognised gains and losses' section of the SOFA. When the net liability does not represent an immediate cashflow impact on the Charity's Reserves, the Scheme's net liability is separately represented by the Pension Reserve.

Elizabeth Finn Care, trading as Turn2us
31 March 2015

Notes forming part of the financial statements (continued)

INCOMING RESOURCES

3 Voluntary Income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000	Total 2014 £'000
Donations					
Donations	191	92	-	283	296
Income tax recovered	5	-	-	5	10
Special events		-	-	-	6
County treasurers	99	5	-	104	109
	<u>295</u>	<u>97</u>	<u>-</u>	<u>392</u>	<u>421</u>
Legacies	1,107	16	-	1,123	1,324
	<u>1,402</u>	<u>113</u>	<u>-</u>	<u>1,515</u>	<u>1,745</u>

The Charity has received notification of 14 legacies with estimated future distributions of £415,000 (2014: £1,489,000), which have not been recognised as income as at 31 March 2015. They will be recognised when appropriate in future periods.

4 Other Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000	Total 2014 £'000
Property rent and services	<u>31</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>-</u>

5 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000	Total 2014 £'000
Dividends	724	529	-	1,253	1,194
Interest on bonds and short term deposits	362	170	-	532	482
	<u>1,086</u>	<u>699</u>	<u>-</u>	<u>1,785</u>	<u>1,676</u>

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

6 Total Resources Expended

Activities	CENTRAL SUPPORT COSTS						DIRECT COSTS	2015 ALL COSTS TOTAL	2014 ALL COSTS TOTAL
	Chief Executive Office	Finance	Human Resources	IT	Property Services**	Administration			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Income Generation and Communications	192	19	8	24	221	19	451	934	
Refurbishment and maintenance for the care homes*							603	603	
Self funding residential & nursing care*							19,412	19,412	
Refurbishment & maintenance of let property*							21	21	
Bank loan interest							504	504	
Investment management							137	232	
Turn2us	192	76	21	24	173	52	2,456	2,994	
Grants & allowances and Dementia Care							3,106	3,106	
Casework	128	95	33	24	362	82	1,028	1,752	
Costs of caring for Homes' residents who are supported by the Charity							528	528	
Trading activities for charitable benefits							783	783	
Governance	128	95	-	6	66	-	50	345	
Total	640	380	62	78	822	153	29,079	31,214	
								30,473	

Grants and allowances were paid to 4,813 individuals in the year (2013/14 4,694)

Note: Governance includes the following:

	2015	2014
	£'000	£'000
Chief Executive & Company Secretary Office	128	117
Finance	95	90
Auditors remuneration - audit of charity	17	16
Auditors remuneration - audit of subsidiaries	17	16
Auditors remuneration - Internal Audit	-	3
Auditors remuneration - Other activity	7	4
Trustee indemnity insurance cover	4	5
Trustee costs and expenses	5	3
Consultancy and infrastructure costs	72	42
Total	345	296

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

**The Property Services heading in 2015 included premises restructuring costs of £320,000 (2014: £0), which have increased the central support costs allocations to other headings for that year.

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

7 Trustees and Staff

Trustees are not remunerated. Refreshments and reimbursement of travel expenses for Trustees attending meetings amounted to £2,274 (2014 - £3,045)

Aggregate staff costs are made up as follows:	2015	2014
	£'000	£'000
Wages and salaries	14,970	14,394
Agency staff	482	441
Social security costs	1,224	1,162
Pension costs	706	565
Other staff related costs	287	618
	<u>17,669</u>	<u>17,180</u>

The average number of employees, both full and part time, during the year was 656 (2014: 648). The total, stated on a full time equivalent basis, comprised:

	2015	2015	2014	2014
	Full-time	Part-time	Full-time	Part-time
In the Homes	300	285	288	287
At Headquarters:				
Homes Department	4	1	4	1
Grants	16	3	20	4
Property services	n/a	n/a	1	0
Fundraising	6	1	6	2
Finance	5	1	8	1
IT	3	3	3	0
Human Resources	5	0	5	0
Turn2us	15	2	12	3
Chief Executive's Department and Communications	6	0	3	0
	<u>360</u>	<u>296</u>	<u>350</u>	<u>298</u>

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

	2015	2014
£60,001 to £70,000	6	-
£70,001 to £80,000	2	1
£80,001 to £90,000	2	2
£90,001 to £100,000	1	3
£100,000 to £110,000	1	-
£110,000 to £120,000	1	-
£130,001 to £140,000	1	1
£160,001 to £170,000	-	1
£220,000 to £230,000	1	-

Total pension contributions for all of the higher paid staff of Elizabeth Finn Care and Elizabeth Finn Homes Limited were £82,485 (2014: £74,102).

The highest paid amount related to the outgoing CEO of the Charity.
The other higher paid employees were the four Directors of the Charity (2014:five), and ten (2014:three) senior commercial subsidiary staff (who had earned performance related bonuses this year).

Elizabeth Finn Care, trading as Turn2us
31 March 2015

Notes forming part of the financial statements (continued)

8 Tangible Fixed Assets

	Freehold		Furniture and Mini Buses		IT	Total £'000
	Land £'000	Buildings £'000	Equipment £'000	and Motor Cars £'000	Infrastructure £'000	
Cost at 1 April 2014	1,685	8,401	1,145	296	-	11,527
Additions	-	-	29	-	117	146
Disposal	-	(94)	(1,145)	(33)	-	(1,272)
Cost at 31 March 2015	<u>1,685</u>	<u>8,307</u>	<u>29</u>	<u>263</u>	<u>117</u>	<u>10,401</u>
Depreciation at 1 April 2014	-	2,759	1,145	256	-	4,160
Disposal	-	(29)	(1,145)	(32)	-	(1,206)
Charge for year	-	112	2	10	42	166
Depreciation at 31 March 2015	<u>-</u>	<u>2,842</u>	<u>2</u>	<u>234</u>	<u>42</u>	<u>3,120</u>
Net Book Amount at						
31 March 2015	<u>1,685</u>	<u>5,465</u>	<u>27</u>	<u>29</u>	<u>75</u>	<u>7,281</u>
31 March 2014	<u>1,685</u>	<u>5,642</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>7,367</u>

Note 10 relates to property disposals in the year.

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 2014	2,214	50,305	185	52,704	-	52,704
Additions at cost	-	5,506	-	5,506	-	5,506
Disposals at cost	-	(7,496)	-	(7,496)	-	(7,496)
Movement in cash	(595)	737	-	142	-	142
Net investment gains / (losses) unrealised	-	2,039	-	2,039	-	2,039
At 31 March 2015	<u>1,619</u>	<u>51,091</u>	<u>185</u>	<u>52,895</u>	<u>-</u>	<u>52,895</u>

Investments at market value comprised :

	£'000
UK Listed equities	16,531
UK Fixed Interest investments	11,112
Unlisted Investments	20,473
Listed or regulated overseas	2,975
	<u>51,091</u>

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

The Charity owns the whole of the ordinary share capital of Elizabeth Finn Trading Limited and Elizabeth Finn Homes Limited, both consisting of two £1 ordinary shares.

Property: Three plots of land are held as investment property at nominal value, pending exploration of planning permission possibilities.

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

10 Gain on sale of property

Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
864	73	864	73

The gain for 2014/15 was due to the sale of residential properties - The Lodges at Eversfield, Reigate, and the Lodge at Grove Court, Woodbridge, Suffolk, in February 2015.
The gain for 2013/14 was due to the sale of residential property of Kingfisher Lodge, Twickenham, in July 2013.

11 Debtors

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Amount due from subsidiaries	-	-	50	1,483
Trade debtors	815	514	114	37
Other debtors	9	14	7	13
Prepayments and accrued income	416	324	318	216
	<u>1,240</u>	<u>852</u>	<u>489</u>	<u>1,749</u>

12 Cash at Bank

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Cash at Bank and in hand	<u>2,451</u>	<u>1,536</u>	<u>479</u>	<u>779</u>

13 Creditors: Amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Amount due to subsidiaries	-	-	43	2,571
Trade creditors	1,171	748	700	237
Social security and other taxes	326	302	80	83
Accruals and deferred income*	2,721	2,153	672	452
Amount of bank loan repayable (note 16)	743	743	743	743
	<u>4,961</u>	<u>3,946</u>	<u>2,238</u>	<u>4,086</u>

*Movement in Deferred Income

	Group 2015 £'000	Group 2014 £'000
Amount brought forward	47	1
Increase in deferred income	3	47
Released in the year	(47)	(1)
Amount carried forward	<u>3</u>	<u>47</u>

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

14 Analysis of Group Net Assets as at 31 March 2015 between Funds

	Permanent Endowment Funds				Restricted Funds					Total	Designated Fund	Unrestricted Reserves	Total Funds
	Other	Arthur Hurst Will Trust	Dresden Homes Trust	Henrietta Emmeline Knight	Other	Edinburgh Trust	Arthur Hurst Will Trust	Dresden Homes Trust	The Lloyd's Support Fund				
Fixed assets	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investments	69	737	750	55	-	13,645	19	20	3,294	-	-	34,305	7,282
Net current assets/(liabilities)	-	-	-	-	70	-	(4)	332	790	-	-	(10,926)	52,894
Net Assets	69	737	750	55	1,611	13,715	15	352	4,084	235	7,282	23,379	(9,404)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funds													
Balances at 1 April 2014	65	737	750	-	-	13,169	15	58	3,126	254	7,367	24,046	49,636
Net movement in funds for year	-	-	-	-	-	546	(0)	78	324	(19)	-	153	1,132
Transfers from unrestricted funds	-	-	-	55	-	-	-	216	634	-	(85)	(820)	-
Funds from other organisations	4	-	-	-	4	-	-	-	-	-	-	-	-
Balances at 31 March 2015	69	737	750	55	1,611	13,715	15	352	4,084	235	7,282	23,379	50,772

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 £8,260 is permanent endowment for *The C.J. and E.J. Melbourne Trust* (Charity No. 207812-1)

Arthur Hurst Will Trust (Charity No. 207991)

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.

The value of the Henrietta Emmeline Knight Fund of £55,466 has been extracted from the Dresden Homes restricted fund as it had been mistakenly integrated into the charity's resolution to release the restriction on expenditure for the permanent endowment of the Dresden Homes Trust. It is a discrete component of the Dresden Homes Trust. An application will be made to the Charity Commission to release the restriction on expenditure on this fund in the next financial year.

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.

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.

Transfers from unrestricted funds reflects unrealised and realised gains reallocation between unrestricted and restricted funds.

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

15 Shown below are the separate results for the Charity and each of its subsidiaries.

a) Related Party transactions

The charity has taken advantage of the exemption given by Financial Reporting Standard 8, Related Party Disclosures¹, from disclosing transactions with its wholly owned subsidiaries.

b) Financial activities of the Charity

	2015	2014
	£'000	£'000
Gross incoming resources	7,528	7,025
Elizabeth Finn Trading covenant due	58	19
Elizabeth Finn Homes Limited covenant due	<u>1,959</u>	<u>1,455</u>
	9,545	8,499
Costs of generating voluntary income	(932)	(1,209)
Activities for generating funds	(1,128)	(1,170)
Investment management	(232)	(226)
Cost of charitable activities	(9,292)	(9,460)
Governance	(329)	(296)
Net outgoing resources	<u>(2,368)</u>	<u>(3,862)</u>
Exceptional gain from sale of property	864	73
Investment gains / (losses)	2,636	(211)
Actuarial (losses) on defined benefits pension scheme	-	-
Net resource movement for year	<u>1,132</u>	<u>(4,000)</u>
Total funds brought forward	49,636	52,879
Capital Funds from other Trusts	4	757
Total funds carried forward	<u>50,772</u>	<u>49,636</u>

c) Financial activities of Elizabeth Finn Homes Limited

	2015	2014
	£'000	£'000
Income	25,033	23,260
Cost of care services	(23,074)	(21,805)
Net Surplus	<u>1,959</u>	<u>1,455</u>
Covenant to Charity	(1,959)	(1,455)
Retained surplus	<u>-</u>	<u>-</u>
Current assets	2,754	2,416
Current liabilities	(2,754)	(2,416)
Net assets	<u>-</u>	<u>-</u>
Share Capital	<u>-</u>	<u>-</u>

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

15 continued

d) Elizabeth Finn Trading Limited

	2015 £'000	2014 £'000
Turnover	65	41
Cost of sales	(4)	(20)
Gross profit	<u>61</u>	<u>21</u>
Administrative costs	(3)	(2)
Operating profit	<u>58</u>	<u>19</u>
Interest income	-	-
Profit / (loss) before and after tax	<u>58</u>	<u>19</u>
Gift payment to Elizabeth Finn Care	(58)	(19)
Retained profit / (loss)	<u>-</u>	<u>-</u>
Loss brought forward	-	-
Total reserves carried forward	<u><u>-</u></u>	<u><u>-</u></u>
Current assets	61	43
Current liabilities	<u>(61)</u>	<u>(43)</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>

16 Bank Loan

On 30 April 2010 the Charity agreed a secured borrowing facility with Santander Corporate Banking, which provides 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. The amount of £743,333 is repayable in the year 2015/16 (2014/15 £743,333). The interest rate is 3 month LIBOR + 2%, offset by a SWAP agreement.

	2015 £'000	2014 £'000
Maturity of Loan:		
Amounts due in less than one year	743	743
Amounts due between two and five years	2,973	2,973
Amounts due in more than 5 years	5,160	5,904

17 Commitments

Hythe House, 200 Shepherds Bush Road, London W6 7NL is the Head Office of the Charity. the Charity surrendered its 10 year lease (dated 26 October 2009) at the 5 year break point. Having handed back 3,500 sq ft to the landlord, a new 10 year lease with a 5 year break option has been completed. The charity now occupies 8,483 sq ft and is paying an initial rent of £284,180 pa and a service charge of £63,198 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.

As at 31 March 2015, Elizabeth Finn Homes Limited had operating leases with £43,615 (2014: £24,265) falling due within two to five years, and £4,493 of operating leases falling due after 5 years (2014: £7,992).

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

18 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 £44k has been made to finance the deficit on the scheme calculated at the triennial valuation date of 30 June 2014. This amount is payable by staged payments between October 2015 and January 2016, in accordance with the actuary's recommendations.

The accounting standard FRS 17 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 2011. The scheme was closed to future accrual on 31 March 2013.

	<u>31 March 2015</u>	<u>31 March 2014</u>
Increases for pensions in payment:		
Pre 31 October 2006 (RPI max. 5%)	3.00%	3.20%
Post 31 October 2006 (RPI max. 2.5)	2.00%	2.10%
Liability discount rate	3.40%	4.40%
Inflation assumption	3.10%	3.40%
Deferred pension revaluation (CPI)	2.10%	2.40%
Revaluation of deferred pensions	2.10%	2.40%

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

For a male aged 65 now	22.8	23.0
At 65 for a male member aged 45 now	25	25.4
For a female aged 65 now	25	25.7
At 65 for a female member aged 45 now	27.4	28.1

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:

	31 March 2015		31 March 2014	
	Expected Rate of Return	Market Value £'000s	Expected Rate of Return	Market Value £'000s
Equities	n/a	1,854	6.50%	1,793
Bonds	n/a	626	4.40%	831
Other	n/a	607	0.00%	-
Cash	n/a	432	0.50%	636
Total market value of assets		<u>3,519</u>		<u>3,260</u>
Present value of scheme liabilities		<u>(3,394)</u>		<u>(2,884)</u>
Net pension asset		<u>125</u>		<u>376</u>

In accordance with paragraph 41 of FRS17 the net pension asset has to be restricted to the value of the Scheme's future pension cost less future employee contributions. 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. Under FRS17 a net pension asset is noted above. However, the Actuary's interpretation of paragraph 41 of FRS17 is that this pension asset should not be shown as an asset in the balance sheet because it cannot be readily realised by the Group.

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

	2015	2014	2013	2012	2011
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined benefit obligation	(3,394)	(2,884)	(2,860)	(2,527)	(2,379)
Plan assets	3,519	3,260	3,176	1,774	1,656
Surplus / (deficit)	<u>125</u>	<u>376</u>	<u>316</u>	<u>(753)</u>	<u>(723)</u>

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Notes forming part of the financial statements (continued)

18 Defined benefit pension scheme (continued)

Analysis of the amount charged to SOFA operating results:

	2015 £'000s	2014 £'000s
Current service costs	-	-
Interest on obligation	126	120
Expected return on assets	(126)	(120)
Past service cost	-	-
Settlements on curtailments	-	-
Total operating charge	<u>-</u>	<u>-</u>
Actual return on assets	<u>318</u>	<u>89</u>

In accordance with paragraph 67 (c) of FRS17 the expected return on assets has been restricted from £156,000 to £126,000 so that it does not exceed the interest on the obligation.

Analysis of the change in the defined benefit obligation:

	2015 £'000s	2014 £'000s
Opening defined benefit obligation	<u>2,884</u>	<u>2,860</u>
Movement in year:		
Current service costs	-	-
Interest on obligation	126	120
Actuarial (loss) / gain	443	(91)
Benefits paid	(59)	(5)
Curtailments	-	-
Total movement in year	<u>510</u>	<u>24</u>
Closing defined benefit obligation	<u>3,394</u>	<u>2,884</u>

The actuarial (gain) loss 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

	2015 £'000s	2014 £'000s
Opening fair value of plan assets	3,260	3,176
Expected return on assets	156	126
Actuarial gains (losses)	162	(37)
Contributions	-	-
Benefits paid	(59)	(5)
Closing fair value of plan assets	<u>3,519</u>	<u>3,260</u>

The employer expects to make £44,000 of contributions to this defined benefit pension plan in the year to 31 March 2016 (year to 31 March 2015: Nil).

Elizabeth Finn Care, trading as Turn2us
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Notes forming part of the financial statements (continued)

18 Defined benefit pension scheme (continued)

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

	<u>2015</u> <u>£'000s</u>	<u>2014</u> <u>£'000s</u>
Actual return less expected return on pension scheme assets	192	(31)
Experience losses arising on the scheme liabilities	208	(76)
Change in assumptions	(400)	107
Actuarial loss recognised in SOFA - Other recognised gains and losses	<u>-</u>	<u>-</u>

In accordance with FRS17, the net pension asset has to be restricted to the value of the scheme's future pension cost less future employee contributions. The net pension asset therefore becomes £nil.

History of experience gains and losses:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Difference between the expected and actual return on scheme assets:					
amount - £'000s	192	(31)	297	(90)	20
percentage of scheme assets	5%	1%	9%	5%	1%
Experience gains / (losses) on scheme liabilities:					
amount - £'000s	208	(76)	(306)	84	11
percentage of the present value of the scheme liabilities	6%	3%	11%	3%	1%
Total amount recognised in SOFA - Other recognised gains and losses:					
amount - £'000s	0	0	(249)	(161)	31
percentage of the present value of the scheme liabilities	0%	0%	9%	6%	1%

19 Post Balance Sheet Events

In May 2015 the Charity reached agreement with Bield Housing & Care Association to sell the Edinburgh Haugh Street Care Home to Bield, who have managed the home on behalf of the Trust and its predecessor bodies for many years. In the opinion of the Trustees, this sale provides strong continuity and security for the residents of the home. Any surplus realised from the sale will be ring-fenced and used exclusively for the purposes of the Edinburgh Trust.





ACKNOWLEDGEMENTS

We gratefully acknowledge the support given by numerous trusts, foundations, statutory bodies and individuals, and the hard work of Turn2us's staff and volunteers. Without their support, Turn2us would not be able to undertake its valuable work.

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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.



Colehaven Cottages
Sumner Road
Coleshill
Birmingham B46 3BH
020 8834 9200
colehaven@efhl.co.uk



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



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



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



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



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



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



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



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



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

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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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200 Shepherds Bush Road, London W6 7NL

+44 (0)20 8834 9200

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Turn2us is a trading name for Elizabeth Finn Care. Elizabeth Finn Care is a charity registered in England and Wales No: 207812; and in Scotland No: SC040987.

