

**TURN2US**  
FIGHTING UK POVERTY

# ANNUAL REPORT & ACCOUNTS 2019/20





# AN INTRODUCTION FROM OUR CHAIR OF TRUSTEES



**We believe no one in the UK should live in poverty and that the current economic and social security system can be better designed to give more people help when they need it**



from black, Asian and other minority ethnic backgrounds, quite often face barriers to employment and income that others don't.

The economic disruption to so many lives has been extreme, and it is for this very reason that Turn2us exists; to help provide a lifeline to those who need it when they need it. We do this by providing financial grants to individual households and by giving people the tools they need to access social security and other sources of income via our online and helpline services.

As you will see in this Annual Report, we are reaching more people than ever and can see the tangible impact of our work. People and partnerships make this possible; the lived experts who inform our work and co-design services and policies, the sector partners with whom we collaborate, people who donate money and/or time and the brilliant staff who work tirelessly to make it all happen. I would like to thank every single one of them for the role they play. The difference Turn2us is able to make for the people we exist to serve is only possible as a result of their commitment.

Turn2us was established by its founder, Elizabeth Finn, in 1897. Our work has now spanned three centuries and supported millions of people. Today, as a national charity, we work to help people who are struggling financially due to unexpected life changing events such as job loss, illness, relationship breakdown or bereavement. We recognise that the need for our services is as great as ever and that we are ideally placed to tackle these challenges.

The coronavirus pandemic is an example of a life changing event of unprecedented magnitude. As we know all too well, it has had a huge impact on the lives of millions of us in the UK and many have been struggling to keep their heads above water after losing their incomes. It underlines to all of us how quickly and abruptly lives can be turned upside down.

But it is those who are already vulnerable who have been most affected. The impact on the younger and older workers, typically those on zero-hour contracts or close to retirement age, has been more severe than for those who are in more secure employment. Also, single parents, people with disabilities and those

When we look to the future, we are confident that Turn2us is in a strong position to help correct the injustice of poverty that affects 14.2 million people across the country.

We believe no one in the UK should live in poverty and that the current economic and social security system can be better designed to give more people help when they need it. To this end, we look forward to continuing our work so we can make sure this change happens and we welcome and thank all of you who are on this journey with us.

Yours sincerely,  
**Sally O'Sullivan**  
Chair of the Board of Trustees

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# A WORD FROM OUR CEO



It is strange to reflect on the financial year of 2019/20 a few months into the lockdown to control Covid-19. Whilst the end of March 20 is very recent, it doesn't feel it. The work that we undertook in 2019/20 has had an important and hugely positive impact on our ability to respond well to the dramatically changing needs faced by huge swathes of us thrown into financial hardship.

There are many achievements that we are able to celebrate and acknowledge:

- ▶ We gave over £3.6 million in grants to 2,992 people in financial need – reaching 4,937 household members.
- ▶ Over 8.8 million people visited our website in more than 13.8 million sessions and 2.8 million people completed a benefit calculation.
- ▶ We won the Guardian Public Service Digital Innovation Award for Connect, an app to support people to use the social security system, and the lessons we are now taking forward from that pilot – that people need support in their isolation.
- ▶ We also launched our Living Without campaign that is aimed at using insight to shine a light on the critical issue of not having essential white goods like a fridge or a cooker.
- ▶ There has been significant success through our Edinburgh Trust, which in the last financial year has awarded grants across the city to 960 people and families totalling over £384,000.
- ▶ Our Elizabeth Finn Homes business continued to focus on the provision of person-centred premium quality care, with four of our homes (40%) achieving an 'Outstanding' rating with

the Care Quality Commission; this compares to 5% in the industry as a whole.

There was also the continued development of our services over the year, with an emphasis placed on our digital services – such as the Benefits Calculator and Grants Search tools – as well as making sure those people who are digitally excluded can also access our help, through investment into our helpline. Of course, none of these achievements would have been remotely possible without the application of our staff's expertise and their focus on better outcomes for people experiencing financial hardship. Equally, the support and challenge of the very experienced board of volunteer trustees has been vital. More than any other year we have worked increasingly closely to design, deliver and evaluate our purpose, strategy and programmes with those for whom they are designed.

It is also really important to mention colleagues who are no longer with Turn2us: our former Director of Operations, Alison Taylor, played an integral role in getting us to where we are today; as did the engagement team, which helped us to establish critical relationships. We extend the warmest of thanks to you all.

There have been some important changes to our personnel, not least with a revised structure and the appointment of three new members to our leadership team, with myself and Jamie Grier, Director of Income & External Affairs, being joined by Sonya Ruparel, Director of Programmes & Partnerships; Jo Kerr, Director of Impact & Innovation; and Thomas Mathew, Director of Finance & Resources.

We have invested heavily in developing our insight and impact work via our new Impact & Innovation directorate. Within this effort, we have introduced a commitment to the core principles of co-production. Co-production is a relationship where professionals and people with lived experience share power to plan, design and deliver our work together, recognising that all involved have vital contributions to make in order to improve quality of life for the people Turn2us exists to serve. This commitment is embodied and furthered by the work we do with people who have lived experience of not having enough money to get by.

Together with our partners from across the sector – and all those who have given a combination of their time, expertise, or money – we have made advances in our policy and awareness work to right the wrongs of the many social injustices that exist within our society. But with the number of people living in poverty set to increase in the wake of the coronavirus pandemic, our work is needed more now than ever.

At the start of 2020, we built a new purpose and strategy. This three-year strategy was co-produced alongside multiple stakeholders, including service users. In the face of Covid-19 we were prepared to put it aside and start again if it meant making sure we could be there to provide a life raft to people being swept into financial crisis. What we found, instead, is that our strategy and purpose was, and still is, incredibly relevant; and has enabled us to be very well placed to respond to the issues facing so many.

Covid-19 transformed our working practices and within a week of the lockdown announcement, like in so many organisations across the country, every member of staff was working from home. Ahead of many, our care homes had already locked down and introduced barrier nursing in

order to protect their residents. Most importantly, we made sure we were able to not just go about our business as usual, but to respond to the crisis as efficiently and effectively as possible. In March, we launched a fundraising appeal that meant we could provide over £1.3 million in additional crisis grants to those affected by Covid-19.

As we look ahead, the needs of people struggling to stay afloat, and financial inequalities are now reframed in the context of a new pandemic world. But our priorities remain the same and are committed to being there for people in the face of life changing events. Through our suite of services and co-produced policy work, we are focused on stopping people from drowning in the midst of a storm – helping to navigate them to a future in which they can thrive.

We look forward to continuing this journey with the support from you, our partners, funders, peers and collaborators. Together, we can realise the change needed in order to give the many people struggling to get by a chance to thrive.

Yours sincerely,  
**Thomas Lawson**  
Chief Executive of Turn2us

## OUR YEAR IN NUMBERS

**More than one in five of us are living in poverty in the UK today – at least 14.2 million people. Turn2us is committed to fighting this inequality. Here are some key highlights from the last year:**

**We gave over £3.6 million in grants to 2,992 people in financial need with 4,937 household members.**

**Over 8.8 million people visited our website in more than 13.8 million sessions – an average of 1,000 people per hour. More than 5.4 million accessed information or guides on benefits.**

**2.8 million people completed a benefit calculation – five people every minute.**

**After completing a benefits calculation online, at least 232,000 people claimed new benefits in the past financial year, at an average of £5,320 per claim.**

**Over 1 million grant searches were completed – two people per minute closer to finding breathing space via support within the charity sector.**

**Our helpline received over 101,000 contacts from people needing support to access our services – an average of 276 people per day, many with complex additional needs.**

**Over 200 volunteers supported Turn2us, giving over 3,300 hours of their time.**



# PROGRESS AGAINST OUR STRATEGIC OBJECTIVES 2019-2020

With additional directorates now in place, new talent on board and prompted by our response to the Covid-19 pandemic, work on our new three-year strategy has accelerated. Having finalised the strategy mid-year, we are now able to report against our six new objectives.

To provide a more comprehensive overview of our activities, programmes, insights and impact in the final weeks of our reporting period, up to the publication of this report– we have included additional details that relate to our Covid-19 response for each new objective.

## OBJECTIVE 1:

**Deliver high-quality, practical programmes that include information and financial support so that people can build their own financial sustainability and thrive.**

### KEY ACHIEVEMENTS AND LEARNINGS

- ▶ We worked with grant awardees to redesign our application form, to improve the journey of applicants. We improved our communications and signposting to those that did not meet the criteria of the funds and amended our award letters to give further information about our services and to encourage ongoing feedback.
- ▶ We awarded 2,992 grants in total from all funds and programmes. This included grants for specialist career transition support to assist people back into employment.
- ▶ The Living Without campaign was launched in January 2020 to shine a light on the issue of people not having enough to afford essential household appliances. The campaign was widely covered by the media, securing 27 pieces of broadcast coverage, 15 national papers, and 163 pieces of local coverage. This increased media presence, particularly on national broadcast channels (e.g. BBC News) resulted in

- a considerable spike in people using our digital tools to search for and access forms of support to afford household appliances. The campaign has helped us develop a greater understanding of the user journey of people who are living without and is influencing our informational offer.
- ▶ In line with our new purpose, and with learnings from Covid-19 crisis grants we are exploring new ways to target our grants to those groups disproportionately affected by financial inequalities.
- ▶ Recognising the public's limited understanding of the term 'grants' has started the process of producing video content which explains simply "What is a Grant?" This has highlighted the more general need for video content to use online and via social media – featuring lived experts telling their own stories – to inspire others to seek help and donate.
- ▶ Our award-winning pilot 'Connect' project – featuring 'Digital Buddies' supporting social security claimants– produced a range of learnings. In particular, how high levels of stress during a benefits claim impairs users' decision-making ability. This means that people require emotional and psycho-social support, in order to think through their options and decide on the best choice for them. The project was successful in enabling people to claim additional income but overall the programme was not scalable in its

## OUR NEW PURPOSE & STRATEGY 2020-2023

**Our purpose: So everyone has the opportunity to build financial sustainability and thrive, Turn2us offers the information and support people need in the face of life changing events and collaborates to tackle the causes and symptoms of poverty.**

Our new purpose has been developed in line with our new three-year strategy; putting the people for whom we exist at the heart of all we do. It clearly sets out our commitment and approach, namely how:

- ▶ **Life changing events**– from the magnitude of coronavirus and lockdown– to bereavement, or even the birth of a child, can often cause financial shocks. This in turn can lead to financial crisis; pulling people into poverty. We want to become deeply expert at knowing

how to reach and support people at the pivotal moment: when they face the overwhelming stress of profound personal change and the consequent financial hardship.

- ▶ **Support and information should be co-produced** and led by the people we serve. People with lived experience of not having enough money for a reasonable quality of life. They are the experts of their situation and our role is to support them to be their own agents of change.

At Turn2us, we are committed to collaborating with other organisations to tackle the causes of poverty. An increase in people's income is not enough when systemic forces, such as stigma, housing shortages, and inequalities in the availability of goods and services, perpetuate social exclusion. This Annual Report outlines how we plan to do this and highlights the progress made to date.

- current form. Learnings have been taken forward and will enable us to create a more effective service based on a more sustainable model.
- ▶ To improve user journeys and benefit uptake rates we have built and now are testing a beta of our Benefits Calculator (version 2). We will launch the new Benefits Calculator and decommission the existing calculator in early 2021.
- ▶ Through a re-tendering and appointment process, we are reviewing, reinventing and re-aligning the Helpline with our new purpose, strategy and programme to be completed by November 2020.

**Covid-19 response: Over one million people used our Benefits Calculator between late March – July 2020 and we gave out nearly £2 million in grants during that period, including setting up a new Coronavirus Grant Fund – which gave one-off £500 grants to people who have been affected by the pandemic.**

### LOOKING FORWARD

- ▶ We will streamline the grants process and improve our reporting. These changes will ensure that we continue to award grants for those that meet the criteria of all the grant funds up to the budget limit ensuring that we enable dignity, respect, equality and accountability.

- ▶ We will improve the Turn2us journey with people we make grants to, enabling them to thrive through identifying and offering additional signposting and services.
- ▶ With our partners who have lived experience, we will co-produce solutions to improve the Grants Search Tool, designing optimal user journeys and working towards a new tool in 2021/2022.
- ▶ Through analysis we will deepen our understanding of people who use our services about the impact of the life changing event they experienced so that we can provide the tailored support they need– including how best to reach them before or soon after the life changing event.
- ▶ We will work towards the redesign and redevelopment of the Turn2us website in 2021/2022 which will better deliver our services and enable us to reach more people who are struggling to get by.
- ▶ We will increase equitable access to all of our services across the UK and explore how to increase our reach in Scotland, including the provision of a Scottish Benefit Calculator
- ▶ We will further develop our Partnership Strategy to support and engage with frontline organisations to license and use our tools and information.

## OBJECTIVE 2:

Deliver ever better impact for people facing financial hardship through the co-production of our work with experts who have lived experience, in collaboration with other organisations and through insight, evaluation and learning.

### KEY ACHIEVEMENTS AND LEARNINGS

- ▶ We hired a Co-production Officer, dedicated to increasing the depth and breadth of user involvement in all of our work at Turn2us. In the first six months, we have integrated co-production into our digital, communication and human resources (HR) projects, with plans to expand into other departments, such as grant-making and fundraising.
- ▶ In line with our new purpose, the senior leadership team led the development of a new three-year strategy. This strategy was co-designed with a number of lived experts and included collaboration with colleagues across the charity.

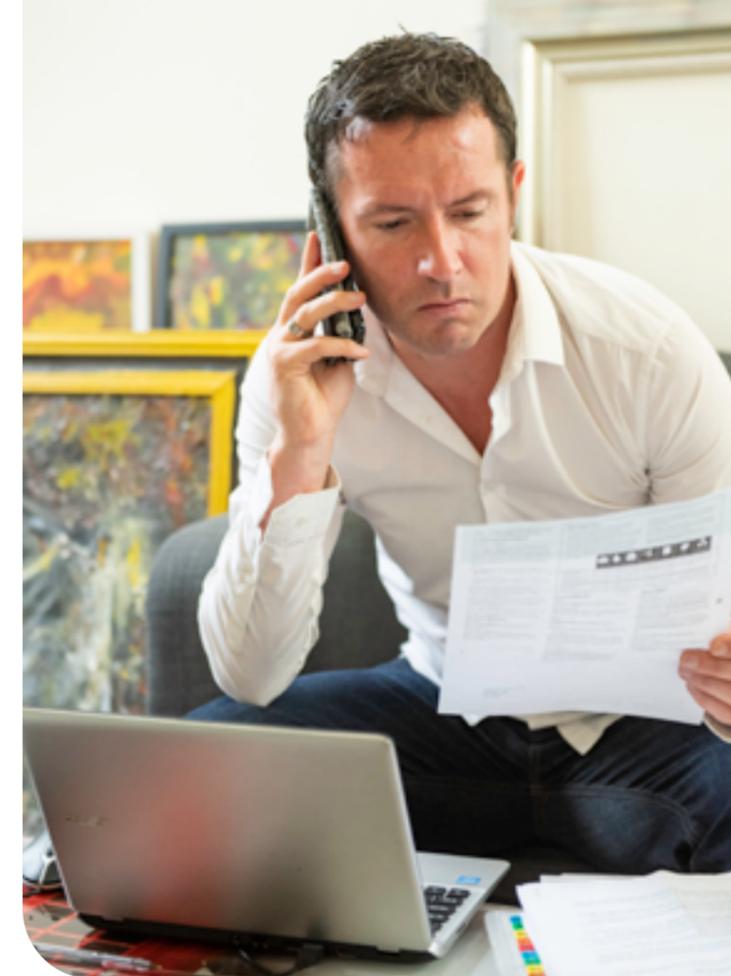
**Covid-19 response:** In response to the coronavirus pandemic we developed a data and insight sharing scheme with New Philanthropy Capital and other civil society organisations, including StepChange, Buttle and Trussell Trust. We hope that through this initiative we can leverage our collective data to more effectively target support where it is needed most. This programme is called the Needs Analysis Project.

### LOOKING FORWARD

- ▶ All of the support we offer will be co-produced with experts by experience, and we will design, deliver and evaluate our work hand-in-hand with people who know what it is to not have enough money to live on.
- ▶ We will build meaningful collaborations with a wide range of commercial, statutory and other social sector organisations. We will identify partners with whom we can build high levels of trust, to develop collective impact approaches that will enhance our ability to respond to the complexity of people's lives in ways that are collaborative, flexible and coordinated.
- ▶ To increase our insights into where and how we can increase our positive impact for people,

we will pilot and learn from approaches that respond to:

- people's lives locally, for example in 'hyper' local programmes.
  - situations that put people at financial risk because of life-changing events that create financial shocks.
  - people who are at greater risk of experiencing poverty.
- ▶ We will embed evaluation, learning and insight approaches in all of our work, so that we can continuously improve our impact, innovate and respond to changing needs and contexts.
  - ▶ Recognising that we work in volatile, uncertain, changeable and ambiguous environments, we will work to understand emerging issues for people experiencing poverty.
  - ▶ In co-production with the people we exist for, we will develop an organisational theory of change by the end of March 2021.
  - ▶ We will develop an evidence, learning and impact plan by the end of March 2021.
  - ▶ To ensure full alignment with our new organisational purpose, strategic aims and objectives we will review and revise the purpose and expected impact of working with volunteers.



## OBJECTIVE 3:

Build the profile of Turn2us and its work to reach people facing life-changing events and experiencing poverty, and secure support for our work.

### KEY ACHIEVEMENTS AND LEARNINGS

- ▶ Our Living Without report and campaign launched in early January. Through the campaign we were able to increase access to grants and other forms of support for people living without essential household appliances. The campaign formed the basis of a fundraising appeal which directly raised £15,000, alongside other individual donations.

#### Living Without campaign – service use highlights:

- ▶ 35,000 people visited our specific 'where to get help' page, with 116,830 views.
- 861% increase to Grants Search on the day the campaign launched.
- Monthly high of 118,000 Grant Search users – 38% increase – equates to an additional 33,000 users in January.
- Our webchat saw a 30% spike on campaign

launch day (15th January)– nearly all of which were related to the Grants Search.

- ▶ The Living Without campaign enabled us to raise funds and recruit new supporters (giving time or money) by engaging new audiences in order to help support those who may be living without essential household appliances.
  - There was an increase in individual giving – approx. £2,000 raised from the #LW donation page during the launch week.
  - Our #LivingWithout themed Christmas Appeal raised– £12,000.
- ▶ As well as raising awareness of this critical issue, the Living Without campaign established the charity as a thought leader on UK poverty. Key learnings include how to more successfully integrate future campaigns across all areas of the charity.

#### Living Without – media campaign highlights:

- 180 bits of print and online coverage; 27 bits of radio coverage; 9 unique TV stations
- Over 100,000 impressions on social media
- Support from other charities (Trussell Trust, Family Fund, Trust for London)
- Support from influencers (Simon Read, Tiernan Doueib, Neville Southall)

**Covid-19 response:** In association with the Telegraph, we launched an emergency crisis appeal to help people facing financial devastation due to the coronavirus pandemic. Money raised through the appeal enabled us to provide over £1.2m in crisis grants to help people who were unable to work and who needed money to pay bills or make essential purchases; as well as helping us expand our online and helpline services for the increasing number of people who need them.

### LOOKING FORWARD

- ▶ As the coronavirus pandemic has shown us, the time at which our offer of support may have the greatest impact is when people face a life-changing event that can turn a financial shock into a financial crisis, pushing people even deeper into poverty. We will increase our understanding of how to reach out to people proactively before and during these events, rather than waiting to be approached by people already struggling to overcome a crisis.
- ▶ We will investigate which partnerships (such as with GP surgeries or housing offices) and tools

(such as our digital resources) have the greatest potential to reach the greatest numbers of people with the greatest efficiency. We will also focus on people who are digitally excluded.

- ▶ We will attract and develop effective relationships with high-quality partners to achieve greater impact than any single organisation could achieve by working alone.
- ▶ We will build our credibility through the quality of our work, insight, evaluation and analysis, which will, in turn, support our ability to influence policy, practice and commissioning.
- ▶ We will continue to focus on the ways in which we use language to ensure that we protect the dignity and celebrate the abilities of the people we serve.
- ▶ We will demonstrate the value and quality of our care home business, Elizabeth Finn Homes Ltd., and be proud of the role of each home in our local communities.
- ▶ We will demonstrate how Turn2us is a rewarding place to volunteer and work.
- ▶ We will develop our 'brand' for all of our audiences, understanding how to reach people through the different names through which we and our work are known.

## OBJECTIVE 4:

Develop our influence on policy, practice and public opinion, tackling the prejudice towards people experiencing poverty and insisting on their fundamental rights to access social security.

### KEY ACHIEVEMENTS AND LEARNINGS

- ▶ A commitment to tackling the causes and symptoms of poverty via policy and advocacy was explicitly added to our new strategic plan, complementing our practical support and focus upon data led insight and co-produced services.
- ▶ Turn2us became the Secretariat for the All Party

Parliamentary Group on Universal Credit, building our profile and insight into this key driver of social security policy.

- ▶ Via the Living Without campaign, we made new and reinforced connections with charities, businesses, Parliamentarians, Housing Associations and providers.

### LOOKING FORWARD

- ▶ Through the use of our research, analysis of our data and the evidence of our successes and lessons, we will influence policy developments to redesign our economy and social security systems. We will do this in partnership with policy experts and people with lived expertise

## OBJECTIVE 5:

Invest in our culture, systems, knowledge and skills

### KEY ACHIEVEMENTS AND LEARNINGS

- ▶ We have expanded the team to include an Insight Analyst and a Head of Insight & Impact, who will lead on cross-sector data sharing and deeper analysis of our data stores, to guide continuous improvement of our services. We started to

co-design the evaluation framework for our new three-year strategy, starting with the user engagement in the development of our service logic models.

- ▶ General management training for all staff has been arranged for delivery during August 2020; while Equality Diversity & Inclusion (EDI) training was delivered to the EDI Committee in February. The roll out of this training has since been delayed during to the coronavirus pandemic but is now planned for later on in the year. A charity-wide safeguarding workshop

of poverty. We will make our data and emerging understanding widely available, with a focus on solutions.

- ▶ Similarly, we will use our emerging, high-quality evidence, lessons and insights from our work (particularly on how to build resilience in the face of life-changing events) to support emerging practice across the commercial, statutory and social sectors.
- ▶ Through public campaigning coalitions, we will amplify the voices of each and every person in poverty to tackle its root causes through collaboration with others.
- ▶ We will make a strong argument that policy and practice development should always be based on co-production.

was completed in quarter four. The review identified areas for improvement and with a new Safeguarding Officer, we have created a new, robust Safeguarding Policy, process and practices.

### LOOKING FORWARD

- ▶ Safeguarding the welfare of the people we serve will be at the centre of our practice so that they can thrive.
- ▶ Given the complexity and fast-changing nature of the lives of people who do not have enough money to thrive and across the wider environments, we must respond with a dedication to innovation. We must exploit the opportunities presented through digital adoption and our directorate of impact and innovation will support every team to innovate and increase its impact.
- ▶ We will recruit people with lived expertise to our board of trustees, to our staff team and to paid consultancy roles.
- ▶ We will increase our staff retention rates and improve our recruitment practices to build a team that is more representative of those of us who have experienced poverty.
- ▶ We will invest in training, systems and development for all personnel so that we can thrive in our roles.
- ▶ We will develop an Accountability Framework that supports bottom up accountability in partnership with other organisations ready to roll out in 2021.
- ▶ We will develop a revised set of values for the organisation, co-created with people with lived expertise.

## OBJECTIVE 6:

Maximise our assets and secure income ethically to achieve impact

### KEY ACHIEVEMENTS AND LEARNINGS

- ▶ This past year we have increased our ability to fund key Turn2us projects with the support of a number of partners such as the Oak Foundation. This support has enabled us to extend our reach to those most in need of support through a financial crisis. We are proud to have partnered with individuals, trusts and foundations, and companies, to sustainably fund our services; including the innovative development of the new Benefits Calculator.
- ▶ Our partnerships with frontline organisations have played a key role in increasing our reach and revenue and ultimately in upholding our commitment to enable individuals to build financial sustainability.

### LOOKING FORWARD

- ▶ We will build new corporate partnerships alongside business from key sectors that resonate with our purpose commitment to vulnerable client groups.
- ▶ We will secure funding for key programmes by emphasising the investment opportunities presented through our strengths in insight, digital solutions and ever-increasing impact.
- ▶ We will invest our expertise in Elizabeth Finn Homes Ltd. (EFHL) to protect and grow this valuable source of unrestricted income.
- ▶ We will build a more explicit link between Turn2us and EFHL so that people who care about each organisation have the opportunity to support the group as a whole.
- ▶ We will prioritise securing high-value income from existing and new networks that include major donors, trusts, foundations and businesses, including through sales of our digital tools. We will continue to promote the opportunity to make a long-lasting contribution by encouraging people to leave a legacy for our work in their will.
- ▶ We will ethically invest our restricted and unrestricted reserves to get the best possible returns with managed risk.

**Covid-19 response:** In order to fund our response to Covid-19, Turn2us launched a fundraising appeal in association with The Telegraph. To date the appeal has raised over £2m, introducing us to a range of new supporters. Building on these relationships will be key to both our ongoing response to the pandemic as well as the growth and diversity of our future income.



## CASE STUDY:

Rob damaged his spinal column in an accident four years ago and was forced to use all his savings and proceeds from a house sale to keep himself solvent. Six months ago, he had to have a skull reconstruction. These medical issues placed him at high risk should he contract coronavirus so he's been shielding.

He initially wanted help to buy a scooter so he could retain his mobility but, with the advice being to stay indoors and his wife not working in the pandemic, he felt that a new fridge/freezer was more essential. (He was finding it very difficult to get delivery slots because all the supermarkets have been so busy, so storing enough food was becoming a problem.) He also needed a new sofa because his old one had lasted more than 20 years.

He was very pleased to have help filling out the grant forms online, and someone was there at every stage of the process to make things easier. He was delighted to receive £1,500 because it's made such a huge difference to his life not having to bend down to reach into his old fridge all the time.

***"We're just about surviving but it's been difficult. Falling into the benefits system makes you feel like you've failed and no one explains the system to you, so it turns out I might have been better off without working. The charity grant made a huge difference. It wasn't just about the money, which was more than I expected, it was about being treated with kindness and respect." ROB***

## LOOKING FORWARD SUMMARY:

- ▶ **Creating a more streamlined grants process that enables recipients to thrive through additional support, signposting and services.**
- ▶ **We will continue to focus on the ways in which we use language to ensure that we protect the dignity and celebrate the abilities of the people we serve.**
- ▶ **Co-produced solutions with our partners who have lived experience to help shape our policy work and improve our range of services, so we are better able to reach people, before or soon after a life shock.**
- ▶ **Through research, data analysis, co-production and partnerships we will influence policy to redesign our economy and social security systems.**
- ▶ **Advance the redesign of the Turn2us website and develop our 'brand' for all of our audiences in order to increase impact.**
- ▶ **Our workplace must be both diverse and inclusive and we must build a culture where people can share all of their insights and ideas in an environment that fosters different perspectives.**
- ▶ **Improved information services and tools plus increased equitable access to all of our services across the UK, with improved reach in Scotland.**
- ▶ **We will prioritise securing high-value income from existing and new networks that include major donors, trusts and foundation and business.**
- ▶ **More meaningful collaborations and partnerships with a wide range of commercial, statutory and other social sector organisations.**

## ELIZABETH FINN HOMES 2019-2020

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

In 2019/2020, EFHL contributed £5.1m (2019: £5.0m) in both covenanted surplus and rent to Turn2us. This figure being stated after investing £390k (2019: £596k) in our ongoing programme of maintaining the facilities, to ensure excellent care. Over the last financial year, EFHL provided care to an average of 431 residents (432 in 2018/2019) in the homes owned by Turn2us. This represents 88% occupancy (88% in 2018/19).

EFHL's focus on the provision of person-centred premium quality care has continued through the year. Across the network of homes, four (40%) have achieved an 'Outstanding' rating with the Care Quality Commission; this compares to 5% in the industry as a whole. Five of the homes have achieved the Gold Standard Framework

accreditation for end-of-life care, with three of the homes (Halliwell, Grove Court and Rashwood) achieving the prestigious Platinum status.

Our homes across the country remain an important part of their local communities, with each of the homes engaging with local organisations, charities and schools for various events. The homes are becoming an increasing focal point for Turn2us fundraising events.

The financial performance for 2019/2020 was largely unaffected by Covid-19. However, the impact of Covid-19 on care home admissions and on staff costs since the year end will inevitably have a financial bearing on EFHL, and it is likely that the financial contribution to Turn2us will be reduced in 2020/2021. The incredible dedication of all staff during the pandemic, for which the Trustees are hugely thankful, will mean that the financial impact will be less pronounced than it otherwise would have been, thereby enabling the care home business to continue to support the work of Turn2us.



# TRUSTEES' REPORT WITH STRATEGIC REVIEW

## 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 Gentlefolks' 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 23 July 2019.

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. Trustees are appointed through an open, competitive process. When filling vacancies, the Board takes into account the experience needed to maintain the Board's ability to effectively direct the full range of the charity's activities. The Board arranges appropriate induction for any new Trustee. The Board of Trustees currently meets at least four times a year.

## CHANGES TO TRUSTEES

One new Trustee joined the Board in October 2019. Helen Chambers is a founder and Deputy CEO of Inspiring Scotland. She is a member of a number of academic groups on equality, social impact, research and evaluation including representing the UK in the European Union's Social Impact Study Group and currently sits on the School of Management Advisory Council for the University of St. Andrews.

Three Trustees retired during the year:

- ▶ Catherine Hamp (31 October 2019)
- ▶ Neeraj Kapur (29 February 2020)
- ▶ Janice Leightley (4 December 2019)

## PUBLIC BENEFIT STATEMENT

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

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

## STRATEGIC REPORT

The trustees of Turn2us consider they have acted in accordance with their duties codified in law, which includes their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the charity. Considerations under section 172 of the Companies Act 2006 are embedded in decision-making at board level and throughout Turn2us. The issues and factors which the trustees have considered when discharging their duty under section 172 are detailed throughout this report. The board, and each trustee, has a clear understanding of their responsibilities. These are set out in

the matters reserved to the board. The board meets at least quarterly and receives regular reporting on key aspects of the charity's operations, including reporting on material activities, regulatory matters, resilience, communications, programmes monitoring, together with financial and performance metrics.

When making decisions, the board considers the insights obtained through relevant committees, staff and stakeholder engagement activities as well as the need to maintain a reputation for high standards of conduct and the long-term consequence of its decisions. A principal decision of the board in 2019 was the decision to implement a leadership re-organisation to facilitate the changes needed for the ongoing impact and relevance of our operations. When making this decision, the charity's ability to be able to meet our beneficiaries and stakeholders needs now and in the longer term, were an important consideration as were the long-term consequences of not proceeding with the restructure and the potential impact this could have on the operation and reputation of Turn2us. The interests of employees, suppliers and regulators were also considered.

Another key decision in the year was the sale of shares held in Larger London Land Company Limited to UK Land. An opportunity was presented during the year to sell the beneficial interests in the shares. Previously the company had resisted paying dividends and so it made sense to realise the true value of the shares. Following careful consideration and after professional advice, it was resolved that entering into the transaction was in accordance with section 172(1) of the Act, would promote the success of the charity and proceeds could be applied to achieving impact for people facing financial hardship.

This year's budget and rolling three-year strategy were approved by the board following a comprehensive review of our priorities and risks to our operation. We considered the input from our service user group about changing needs and our programme plans, and we took into account both beneficiary and stakeholder feedback about our impact. The input from our staff was invaluable as we formulated our strategy.

The year has included a national crisis, the coronavirus pandemic. The heaviest economic burden of coronavirus has fallen on members of our society who were already facing the largest barriers to earning a living and making ends meet. The longer that coronavirus continues, the larger those structural inequalities will become. Given this

evidence, we have addressed how we continue to promote our success and achieve our charitable purpose. As there is a disproportionate impact on certain groups due to coronavirus, we have targeted our programmatic response. We are monitoring for how long and with what resource level.

Increasingly, we 'co-produce' our programme design, delivery and evaluation with people who have lived expertise of financial hardship. We are committed to wider impact creation in the pursuit of our long-term viability and advantage.

During the year a triennial governance review was conducted. Our board and executive leadership team examined the extent to which the board has a clear understanding of its role and responsibilities, the trustees and management share a common vision, clarity of the board's role, ability to handle conflict constructively, adequacy of documented systems of internal control, and board effectiveness review procedures. The focus of this review was on the charity's performance and the factors that influence it, key among those being the interaction between trustees and the executive leadership team. Board structures and processes have been updated, formalised and documented. The mix of skills and experience of board members has also been documented.

We strive for a sense of high competence and work hard together with our staff – including through rigorous debate, on how to improve our long-term success and impact. That, combined with our regular evaluation of our programmes and data insight, makes the development of all of our work – our policy influencing, fundraising, communications as well as our programming, much more sustainable. The board and executive leadership team share a common vision of how we should go about achieving our goals and have clear roles and responsibilities.

## EXTERNAL STAKEHOLDERS

We have a deep commitment to supporting and empowering those who are facing financial shock and vulnerability in the UK. The contribution of the trustees and staff makes a direct and tangible difference to real lives.

8.8 million people visited our website last year to find non-judgemental help and information, which equates to 1000 people per hour; 2.8 million people completed a Benefit Calculation to understand their benefit entitlement; and over one million people carried out a Grant Search.



Last year, our helpline handled 101,000 direct enquiries. We also trained 2,000 frontline staff and volunteers to use our online Benefits Calculator and Grant Search tools, so that they could operate as close to the source of need as possible. We work closely alongside, and in collaboration with, a range of organisations including Shelter and the Trussell Trust to deliver high quality and practical programmes that support individuals to build financial sustainability and thrive. Our new approach to partnerships centres on sharing knowledge, experience, and insight to not only deliver impactful and holistic support but to drive organisational accountability and learning. We also work in co-production with experts by experience as well as with over 250 of our own volunteers who have committed more than 2,500 hours to helping people in their communities

Key stakeholders were considered in 2019. We undertook a number of stakeholder engagement activities to provide the board with the information we need to understand the views and interests of stakeholders. This information helps us have regard of stakeholder interests, and the likely long-term consequences, including to the reputation of Turn2us, when making decisions and setting strategy.

We also work with partners to lead and drive campaigns, research and influencing government and policymakers to drive lasting change in UK poverty. Given the complexity of poverty, we have to work with a wide range of partners and, crucially, with those for whom we exist so we can co-create solutions that work. Our work is amplified effectively by our strong partnerships with other charities and organisations working in local communities. Examples of recent campaigns and reports can be seen on our website.

In 2019 we conducted an overview of our relationships with key suppliers as part of an

enhanced focus on operational resilience. During the year, the board received regular information on suppliers to the charity as part of its quarterly update on operations. The board received reports on the risks associated with key supplier relationships. These updates provided the board with insights into how these risks are managed.

The board has continued its interaction with our regulators. We ensure that the charity fulfils its legal obligations, accountability to our stakeholders e.g., funders, staff, service users and the public. The interests of stakeholders are represented in the charity and act as a link with the important groups and organisations we deal with.

A Safeguarding Committee was set up in the year to recognise that safeguarding must be an organisational priority. Turn2us will invest considerably in safeguarding in 2020/2021 to ensure not only that we are compliant in our policies and systems, but also so we develop a culture that supports service users and stakeholders and enables people to thrive.

## RISK

The Trustees believe that they have identified the major risks to which the charity and group are exposed. For the charity, these include: ongoing financial stability; maintaining good reputation in conducting the various charitable activities and operational resilience. For the care home subsidiary the main risk is the quality of the personal care provided in the care homes. Risks have been categorised both by the likelihood of their occurring and by their potential impact on the Charity and Group. Trustees review the adequacy of protection against these risks and, where this appears insufficient, put in place appropriate procedures to mitigate them.

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

The UK's decision to leave the European Union brings with it uncertainty about stock market investment income for the charity. For the care home business, there is also potential for short term disruption leading to uncertainty in being able to cost-effectively attract and retain a sufficient number of high calibre staff in our care home

teams. Many potential beneficiaries of Turn2us may also face economic uncertainty.

The Covid-19 pandemic also brings significant risk to our Care Homes, most importantly in regard to the health of our residents and staff, but also potentially reducing the financial surplus that helps fund the charity. Negative impact on charitable fundraising is also possible.

We are however well placed to assist during this time of heightened financial need, as our online financial information tools are web-based and are therefore scalable to assist any who may be adversely affected by financial difficulties caused by economic uncertainty or who may wish to become better informed about their financial situation.

## VOLUNTEERS

The Charity is fortunate to have a large number of committed, informed and inspirational volunteers. Many of these volunteers are among the most experienced and longest serving in the charity. Over the course of 2019/2020, we have had the support of 213 volunteers. Over the next year, we look forward to working alongside our volunteers and those for whom we exist to co-design the volunteer programme so that it can be as impactful as possible. The experience of our volunteers is a huge asset to the charity, to which we aim to give a greater voice in the direction of the volunteering programme.

## STAFF

We have a paid workforce of 698 full time equivalent staff (2019:678), who are based across the UK. Of this workforce, 634 (2019:614) work in our dedicated care homes.

As trustees we are committed to transparency in our work and include staff in our decisions. We continuously interact and communicate with staff through meetings, committees, joint working groups, day-to-day management and away days. We also convey information regularly via the internal publication of our meeting papers, minutes and actions.

Every year we conduct an annual review of board effectiveness. This includes how board meetings are conducted, the clarity of board roles, the extent to which a common vision for the organisation exists, the ability to manage conflict between the board and staff, the quality of communication

between the board and staff, and whether trustees and the executive leadership team periodically review how they work together. Resulting actions are prioritised.

During the year all directorates were involved in the preparation of our three-year strategic plan. They were asked to work with their staff teams, including volunteers and service users, to review the existing objectives and agree six main strategic objectives for the next three years. These were then collated and presented to the trustees at a joint strategy away day. The operational requirements were then developed further by staff for the trustees' budget meeting.

Throughout the year, the board received reports from the heads of each directorate on the landscape for their operational area and the plans in place to respond to changing demands. Heads also provided regular updates on performance and focus on areas which gave the board insight into issues and concerns.

During 2019, the executive leadership team continued its 'open door' policy where staff are encouraged to ask questions about the charity's activities, its strategy, performance and current initiatives. This captures employee views, is a key tool for understanding employee interests and concerns, and informs management actions. An inclusive monthly meeting of all the staff is held.

As a charity we have wanted to improve the coordination of training. Joint training sessions with staff and trustees have been established for safeguarding. During the year an equity, diversity and inclusion group was established. Membership of the group is open to all staff. An initial monitoring survey has been carried out of the whole staff team and trustees. Further training for staff and trustees is being identified. We are focusing on improving diversity among our trustees and the employees working for Turn2us.

In order that the board can oversee the financial management of the organisation, adequate financial systems and procedures must be in place. As a result of staff consultation, the trustees agreed to significant investment in finance software that will improve recording and reporting key information to trustees, staff and stakeholders.

The charity is fully committed to promoting Equity, Diversity and Inclusion across all aspects of our work. We recognise that working with staff, trustees and volunteers, who all come from different backgrounds, brings new ideas and new

approaches to the way we work and the way that we develop resources and support for service users. We view our staff as the sum of many parts rather than a single entity and we want to recruit to build a diverse group of talented people, collectively working towards a shared vision. We strive to build a culture that recognises and values the background, knowledge and experience of each individual who can help the charity to flourish.

## FUNDRAISING

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

Turn2us is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice.

For the 12 months to 31 March 2020, Turn2us received no complaints in relation to our fundraising activities. Via written policies and training, staff receives guidance regarding Data Protection (including GDPR) and regarding communications with vulnerable members of the public.

## NATIONAL AND REGIONAL REPRESENTATION

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

## CHARITABLE ACTIVITY IN SCOTLAND

The charity has six volunteers as visitors in Scotland and supported 920 (2018/2019: 1,513) beneficiaries in Scotland, with grants totalling £463,000 in 2019/2020 (2018/2019: £495,000).

The Edinburgh Trust is a restricted fund within the charity which resulted from the City of Edinburgh Council transferring its responsibility as custodian for 35 poverty related charities and trusts to the charity in 2011. The 35 charities and trusts, together with their £12m funds and a small 10 bed care home (now sold and the £483k proceeds incorporated into the fund), were grouped into a single restricted fund.

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

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

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

Over 960 beneficiaries were supported in the year 2019/2020 through the Edinburgh Trust (2018/19: 1,300 with grants totalling £384,000 (2018/19: 344,000)).

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

## BOARD OF TRUSTEES

The charity's Trustees, and those who served as a trustee in the financial year ended 31 March 2020, were as follows:

- ▶ Sally O'Sullivan (Chair)
- ▶ Richard Midmer\* (Deputy Chair)
- ▶ Richard Carter\*
- ▶ Helen Chambers (appointed 29 October 2019)
- ▶ Dr Olivia Curno
- ▶ Henry Elphick
- ▶ Catherine Hemp (retired 31 October 2019)
- ▶ Steven Hunter\*
- ▶ Neeraj Kapur (retired 29 February 2020)
- ▶ Joanna Kerr (retired 5 August 2019)\*\*
- ▶ Janice Leightley (retired 4 December 2019)
- ▶ Christine Lenihan
- ▶ Thomas Morgan
- ▶ Lord John Sharkey
- ▶ Joanne Wickremasinghe

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

- ▶ **Chief Executive:** Thomas Lawson
- ▶ **Director of Finance and Resources:** Thomas Mathew (appointed in February 2020)

- ▶ **Director of Information Technology:** Justin Macklin
- ▶ **Director of Income and External Affairs:** Jamie Grier
- ▶ **Director of Impact and Innovation:** Joanna Kerr (appointed in January 2020)
- ▶ **Director of Programmes and Partnerships:** Sonya Ruparel (appointed in August 2019)

Turn2us has a remuneration policy designed to attract and retain the highest quality of people to lead and develop our work. Rates of pay for senior members of staff are determined

by considering external benchmarks across the sector and are reviewed annually to take into account the cost of living. Pay and benefits for senior members of staff are published in our Financial Statements and are determined by the Remuneration Committee. This includes total pay and benefits for all the Group's operations including our commercial and investment operations which provide significant income to enable the charity to carry out its charitable objectives. In accordance with legislation which came into force in April 2018, gender pay gap information has been added to the Turn2us website.

## Bankers and Principal Advisers

### Auditor:

Sayer Vincent, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

### Solicitors:

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

### Registered Office:

Turn2us, Hythe House, 200 Shepherds Bush Road, London, W6 7NL Tel: 0208 834 9225  
Websites: www.turn2us.org.uk www.efhl.co.uk  
Charity Commission Registration number  
England & Wales: 207812; Scotland: SC040987

### Bankers:

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

### Investment Managers:

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

### 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

\* Members of the Audit, Risk & Governance Committee

\*\*Stepped down in August 2019 to be acting Head of Digital Services for the charity.

Jo was subsequently appointed Director of Impact & Innovation for the charity in January 2020.

# GRANT MAKING POLICY

Turn2us Grant Services provides support to individuals and their families to:

- ▶ Address issues that may impact upon their financial stability and security
- ▶ Mitigate the impact that a change in circumstances may have on their physical or mental wellbeing
- ▶ Enable them to maintain or regain their independence and to control their lives for normal daily living.

All applications for support will be assessed:

- ▶ Against the eligibility criteria of the fund
- ▶ To establish specific need(s), which are

essential to the financial stability, physical/mental wellbeing and independence to maintain normal daily living

- ▶ To understand the full circumstances of the individual and their family
- ▶ To establish the type and level of support needed.

Grant applications will be processed in accordance with relevant legislation, including the General Data Protection Regulation (GDPR) and any successor UK regulations in respect of GDPR and other relevant charity policies, including, but not limited to, Complaints and Compliments, Confidentiality, Safeguarding, Privacy and IT.

# STREAMLINED ENERGY & CARBON REPORTING DISCLOSURE

GHG emissions and energy use data for the period: 1 April 2019 to 31 March 2020	Current year (UK & offshore)
Total energy consumption used to calculate emissions in kWh	10,675,862
Emissions from combustion of gas in tCO <sub>2</sub> e (Scope 1)	1,024.13
Emissions from combustion of gasoil in tCO <sub>2</sub> e (Scope 1)	167.30
Emissions from the combustion of fuel used in company owned vehicles (Scope 1)	36.47
Emissions from purchased electricity in tCO <sub>2</sub> e (Scope 2, location-based)	619.11
Total Scope 1 and 2 tCO <sub>2</sub> e based on above	1,847.02
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel in tCO <sub>2</sub> e (Scope 3)	78.78
Total gross tCO <sub>2</sub> e based on above	1,925.80
Intensity ratio: gross tCO <sub>2</sub> e / FTE	2.76

## METHODOLOGY

As a large charitable organisation, Turn2us is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The data detailed in this table represent emissions and energy use for which Turn2us is responsible, including energy used in our offices and care homes and fuel used in company owned or operated vehicles or for company business. We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2019. Any estimates included in our totals are derived from actual data.

## ENERGY EFFICIENCY ACTIONS

In the period covered by the report, Turn2us implemented the following energy efficiency measures as part of its day-to-day maintenance and project works:

- ▶ Replacement of fluorescent and halogen lighting with LEDs at Hampden House, The Lodge and Halliwell.
- ▶ Replacement of fluorescent and halogen lighting with LEDs during kitchen refurbishment at Merlewood and during bedroom and ensuite refurbishments throughout our homes.

In the previous year we implemented BMS control works and boiler replacements at Rush Court, Cotswold, Merlewood and in part at The Lodge.

# FINANCE MATTERS

## RESERVES POSITION AND POLICY

In drawing up the reserves policy, Trustees are mindful of the need to balance financial prudence with the importance of getting money to the front line of our work quickly. To enable the charity to deliver upon its commitments to our beneficiaries and to avoid any risk of interruption to the primary objective, our prudent reserves policy is to retain between 6 and 12 months of Group expenditure in free reserves. This will continue to be our goal as we manage the potential impact to revenue due to Covid-19, both in care home income and charitable giving. However, we are committed to maintaining our levels of charitable giving during a time when more people are facing financial crisis due to the pandemic.

As at 31 March 2020, total funds were £52.2m, a reduction of 7% from the previous year (2019: £56.1m). Unrestricted reserves, as described in the Balance Sheet, are funds freely available for use by the charity and therefore exclude restricted reserves and permanent endowment funds. Furthermore, although unrestricted, the Designated Funds represent the net book value of tangible property assets, primarily managed by the commercial subsidiary. They are therefore not regarded as free reserves available for spending.

At 31 March 2020, the charity held free reserves of £22.3m, which represents 7.9 months of the group's annual expenditure. This is in line with the reserves policy to hold between 6 and 12 months of the group's expenditure in free reserves. The Trustees are confident that the reserves level is sufficient for current and proposed levels of activity.



## INCOME

The charity has succeeded in increasing its overall income by 12% (2020: £35.8m; 2019: £32.1m). The Turn2us Group is fortunate to have three main sources of income which are not closely correlated; supporter income, care homes income and investment income.

**Supporter income:** We would particularly like to thank our generous supporters for donations, legacies and grants this year, with over £4.8m raised, which is a 100% increase on the previous year. This was largely due to the realisation of a property asset generously left to the charity in a legacy and a successful fundraising appeal in partnership with The Telegraph aimed at supporting those financially impacted by Covid-19.

**Care home income:** Elizabeth Finn Homes Limited (EFHL), a subsidiary of Turn2us, operates ten care homes across the UK and is run separately from Turn2us, with surplus and rent from the care homes being invested back into the charity. In 2019/2020, EFHL contributed £5.1m (2019: £5.0m) in both covenanted surplus and rent to Turn2us. This figure being stated after investing £390k (2019: £596k) in our ongoing programme of maintaining the facilities, to ensure excellent care.

**Investment Income:** The Trustees have given the investment managers discretionary mandates, based on equity growth benchmarks. Investment income for the year totalled just over £1m. Investment valuation dropped by £6.3m at year end due to the impact of Covid-19 on global markets in Spring 2020; however, the value of our portfolio has largely recovered since.

## EXPENDITURE

Total expenditure is similar to the previous year, with an overall increase of about 6% (2020: £33.9m; 2019: £31.9m). Spend on charitable activity has gone up 3% (2020: £8m; 2019: £7.8m) with an emphasis on our information services and casework. Care home costs have increased 8%, and core running costs have risen 2%.

## INVESTMENT POLICY

The charity revised its investment policy in 2019. It continues to recognise three critical groups of assets, which are monitored by the Investment Committee on a quarterly basis:

- ▶ An investment property portfolio, consisting of fourteen assets, mostly donated to the charity, plus tangible fixed assets, consisting of nine wholly owned care homes, operated by a commercial subsidiary for the purpose of providing residential and nursing care;
- ▶ Investments managed on behalf of the charity by two professional fund managers operating on a discretionary basis;
- ▶ Cash used for working capital purposes and managed in-house.

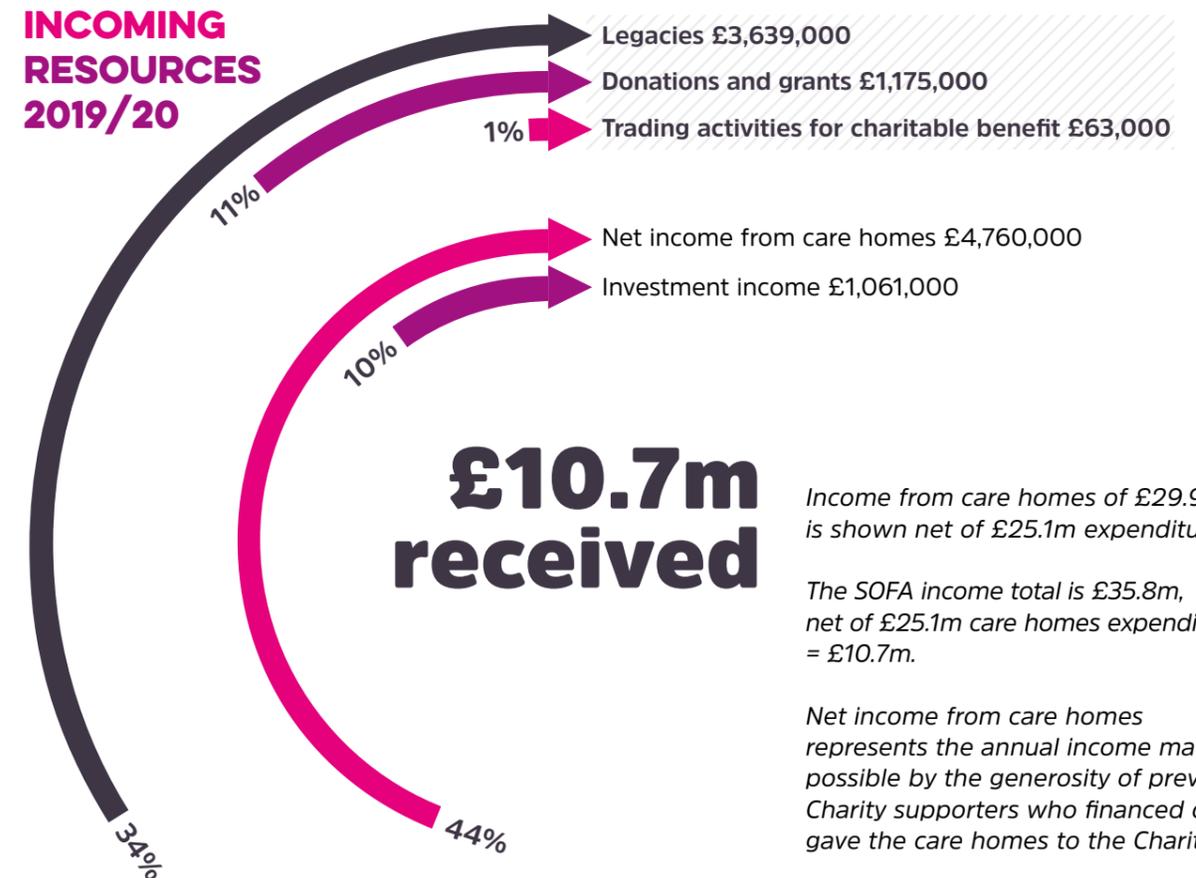
The majority of property assets are reviewed as part of the continuing assessment of performance of the dedicated care homes subsidiary, Elizabeth Finn Homes Limited (EFHL). Investment properties, which do not form part of the care home portfolio, are reviewed regularly by the Investment Committee to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

The charity's Finance & Investment Committee monitors the performance of the listed investments using defined criteria. The overall investment objective, based on total return, was changed from '3 month £ LIBOR + 5%' to 'RPI + 4%' at the end of the financial year in order to create a closer link between expected investment return and the ability to fund the charity's expenditure on its work. The Trustees have given the investment managers discretionary mandates, based on equity growth benchmarks. The equity asset allocation is counterbalanced by the property portfolio noted above.

For the £43m funds held by Investment Managers (2019: £46.9m), the combined investment performance for both investment managers for this year was 8.3%, ahead of its benchmarks and in line with the overall investment objective.

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

## INCOMING RESOURCES 2019/20

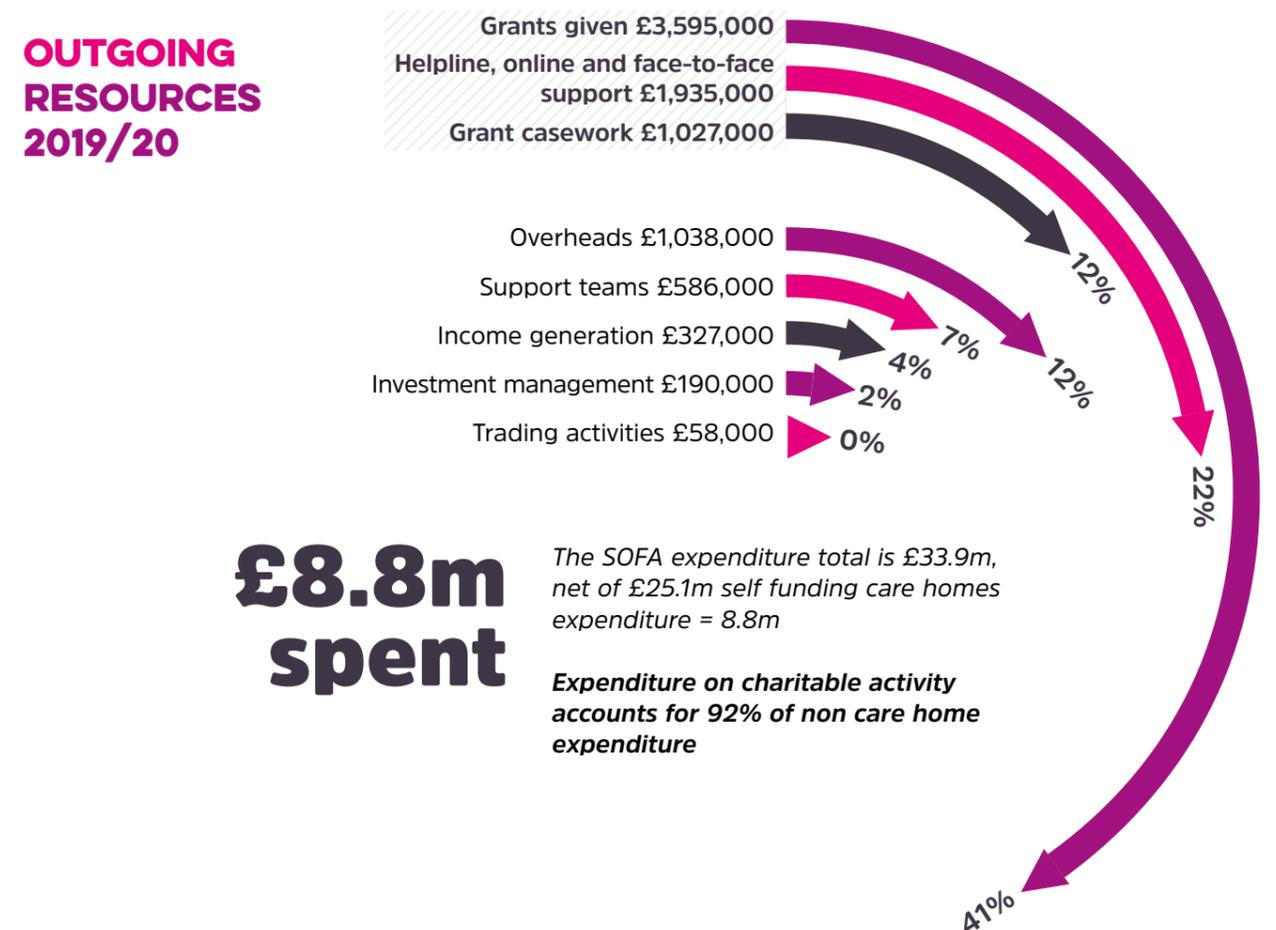


Income from care homes of £29.9m is shown net of £25.1m expenditure.

The SOFA income total is £35.8m, net of £25.1m care homes expenditure = £10.7m.

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

## OUTGOING RESOURCES 2019/20



The SOFA expenditure total is £33.9m, net of £25.1m self funding care homes expenditure = 8.8m

Expenditure on charitable activity accounts for 92% of non care home expenditure

# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are also directors of Elizabeth Finn Care, which is trading as Turn2us. For the purposes of company law, they are responsible for preparing the trustees' annual 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. These statements give a true and fair view of the state of affairs of the charitable company. They provide details of incoming resources and the application of resources, including the income and expenditure of the charitable company 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware: There is no relevant audit information of which the charitable company's auditor is unaware; and The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## AUDITORS

The Financial Statements for the year ended 31 March 2020 have been audited by Sayer Vincent LLP. The full financial statements and audit report can be obtained from Turn2us, Hythe House, 200 Shepherds Bush Road, London W6 7NL.

The trustees' annual report which includes the strategic report has been approved by the trustees on 11 December 2020 and signed on their behalf by



**Sally O'Sullivan**  
Chair of the Board of Trustees

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELIZABETH FINN CARE

## OPINION

We have audited the financial statements of Elizabeth Finn Care (trading as Turn2us) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 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
- ▶ Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended).

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit

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

## CONCLUSIONS RELATING TO GOING CONCERN

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

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

## OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- ▶ The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

- ▶ Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- ▶ Certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ We have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- ▶ Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and 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 those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Fleur Holden

(Senior statutory auditor)

18 December 2020

for and on behalf of Sayer Vincent LLP,  
Statutory Auditor  
Invicta House, 108-114 Golden Lane,  
London, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

# FINANCIAL STATEMENTS

Elizabeth Finn Care, trading as Turn2us

31 March 2020

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

Year to 31 March 2020

Notes	Unrestricted Funds 2020	Restricted Funds 2020	Endowment Funds 2020	Total Funds 2020	Restated Total Funds 2019	
	£'000	£'000	£'000	£'000	£'000	
<b>INCOME AND ENDOWMENTS:</b>						
<b>Donations and legacies:</b>						
Donations	3	567	372	-	939	691
Legacies	3	3,639	-	-	3,639	1,440
<b>Charitable activities:</b>						
Grants		-	237	-	237	274
Trading activities for charitable benefit		63	-	-	63	63
<b>Other trading activities:</b>						
Residential & nursing care income		29,879	-	-	29,879	28,706
Investment income	4	555	506	-	1,061	943
<b>Total income and endowments</b>		<b>34,703</b>	<b>1,115</b>	<b>-</b>	<b>35,818</b>	<b>32,117</b>
<b>EXPENDITURE</b>						
<b>Expenditure on raising funds:</b>						
Income generation	5a	473	-	-	473	717
Residential & nursing care expenditure	5a	25,120	-	-	25,120	23,250
Investment management costs	5a	199	54	7	260	174
<b>Total cost of raising funds</b>		<b>25,792</b>	<b>54</b>	<b>7</b>	<b>25,853</b>	<b>24,141</b>
<b>Net income for charitable activities</b>		<b>8,911</b>	<b>1,061</b>	<b>(7)</b>	<b>9,965</b>	<b>7,976</b>
<b>Expenditure on charitable activities:</b>						
Support & information services	5a	2,529	132	-	2,661	2,304
Assistance given to those in need	5a	3,021	574	-	3,595	3,835
Casework	5a	1,516	156	-	1,672	1,518
Trading activities for charitable benefit	5a	95	-	-	95	110
<b>Expenditure on charitable activities</b>		<b>7,161</b>	<b>862</b>	<b>-</b>	<b>8,023</b>	<b>7,767</b>
<b>Total expenditure</b>		<b>32,953</b>	<b>916</b>	<b>7</b>	<b>33,876</b>	<b>31,908</b>
<b>Net income/(expenditure) before investments</b>		<b>1,750</b>	<b>199</b>	<b>(7)</b>	<b>1,942</b>	<b>209</b>
<b>Net gains/(losses) on investments</b>						
Net realised gains/(losses)		226	100	18	344	795
Net unrealised gains/(losses)		(3,593)	(2,724)	(332)	(6,649)	1,871
<b>Total net gains/(losses) on investments</b>		<b>(3,367)</b>	<b>(2,624)</b>	<b>(314)</b>	<b>(6,305)</b>	<b>2,666</b>
<b>Net income/(expenditure) before transfers</b>		<b>(1,617)</b>	<b>(2,425)</b>	<b>(321)</b>	<b>(4,363)</b>	<b>2,875</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension	17	423	-	-	423	(67)
<b>Net Movement in funds</b>		<b>(1,194)</b>	<b>(2,425)</b>	<b>(321)</b>	<b>(3,940)</b>	<b>2,808</b>
<b>Reconciliation of funds</b>						
Funds brought forward restated	19	32,059	22,033	2,058	56,150	53,403
Disposal of Colehaven		-	-	-	-	(61)
<b>Total funds carried forward at 31 March 2020</b>		<b>30,865</b>	<b>19,608</b>	<b>1,737</b>	<b>52,210</b>	<b>56,150</b>

All the above results are derived from continuing activities and these financial statements include all gains and losses recognised in the year. The accompanying notes are an integral part of these financial statements.

Elizabeth Finn Care, trading as Turn2us

31 March 2020

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

Year to 31 March 2019

Notes	Restated Unrestricted Funds 2019	Restated Restricted Funds 2019	Restated Endowment Funds 2019	Restated Total Funds 2019	
	£'000	£'000	£'000	£'000	
<b>INCOME &amp; ENDOWMENTS:</b>					
<b>Donations and legacies:</b>					
Donations	3	521	170	-	691
Legacies	3	1,440	-	-	1,440
<b>Charitable activities:</b>					
Grants		-	274	-	274
Trading activities for charitable benefit		63	-	-	63
<b>Other trading activities:</b>					
Residential & nursing care income		28,706	-	-	28,706
Investment income	4	481	462	-	943
<b>Total income and endowments</b>		<b>31,211</b>	<b>906</b>	<b>-</b>	<b>32,117</b>
<b>EXPENDITURE</b>					
<b>Expenditure on raising funds:</b>					
Income generation	5b	717	-	-	717
Residential & nursing care expenditure	5b	23,250	-	-	23,250
Investment management costs	5b	132	37	5	174
<b>Total cost of raising funds</b>		<b>24,099</b>	<b>37</b>	<b>5</b>	<b>24,141</b>
<b>Net income for charitable activities</b>		<b>7,112</b>	<b>869</b>	<b>(5)</b>	<b>7,976</b>
<b>Expenditure on charitable activities:</b>					
Support & information services	5b	2,304	-	-	2,304
Assistance given to those in need	5b	3,251	584	-	3,835
Casework	5b	1,162	356	-	1,518
Trading activities for charitable benefit	5b	110	-	-	110
<b>Expenditure on charitable activities</b>		<b>6,827</b>	<b>940</b>	<b>-</b>	<b>7,767</b>
<b>Total expenditure</b>		<b>30,926</b>	<b>977</b>	<b>5</b>	<b>31,908</b>
<b>Net income/(expenditure) before investments</b>		<b>285</b>	<b>(71)</b>	<b>(5)</b>	<b>209</b>
<b>Net gains/(losses) on investments</b>					
Net realised gains/(losses)		531	264	-	795
Net unrealised gains/(losses)		793	959	119	1,871
<b>Total net gains/(losses) on investments</b>		<b>1,324</b>	<b>1,223</b>	<b>119</b>	<b>2,666</b>
<b>Net income/(expenditure) before transfers</b>		<b>1,609</b>	<b>1,152</b>	<b>114</b>	<b>2,875</b>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit pension	17	(67)	-	-	(67)
<b>Net Movement in funds</b>		<b>1,542</b>	<b>1,152</b>	<b>114</b>	<b>2,808</b>
<b>Reconciliation of funds</b>					
Funds brought forward restated	19	30,517	20,881	2,005	53,403
Disposal of Colehaven		-	-	(61)	(61)
<b>Total funds carried forward at 31 March 2019</b>		<b>32,059</b>	<b>22,033</b>	<b>2,058</b>	<b>56,150</b>

## Group and Charity Balance Sheets

As at 31 March 2020

Notes	GROUP		CHARITY	
	2020 £'000	Restated 2019 £'000	2020 £'000	Restated 2019 £'000
<b>FIXED ASSETS</b>				
Tangible assets	7	8,592	8,782	8,782
Investments	8	44,572	48,288	48,288
<b>Total fixed assets</b>		<b>53,164</b>	<b>57,070</b>	<b>57,070</b>
<b>CURRENT ASSETS</b>				
Debtors	10	1,419	1,329	330
Cash in hand	11	574	1,301	593
<b>Total current assets</b>		<b>1,993</b>	<b>2,630</b>	<b>923</b>
<b>LIABILITIES</b>				
Amounts falling due within one year	12	(3,180)	(3,360)	(1,653)
<b>Net current assets/(liabilities)</b>		<b>(1,187)</b>	<b>(730)</b>	<b>(730)</b>
<b>Total assets less current liabilities</b>		<b>51,977</b>	<b>56,340</b>	<b>56,340</b>
<b>Provisions for liabilities:</b>				
Defined benefit pension scheme liability	17	233	(190)	(190)
<b>Net assets</b>		<b>52,210</b>	<b>56,150</b>	<b>56,150</b>
<b>THE FUNDS OF THE CHARITY</b>				
Permanent endowment	13	1,737	2,058	2,058
Restricted	13	19,608	22,033	22,033
Designated	13	8,592	8,782	8,782
Unrestricted reserves	13	22,273	23,277	23,277
<b>Total charity funds</b>		<b>52,210</b>	<b>56,150</b>	<b>56,150</b>

The accompanying notes on pages 32 to 49 are an integral part of these balance sheets.

Approved by the Board of Trustees on 11 December 2020 and signed on their behalf by:


Sally O'Sullivan  
Chair

Company Number: 515297

## Consolidated Cashflow Statement

For the year ended 31 March 2020

	2020 £'000	2019 £'000
<b>a) RECONCILIATION OF NET INCOMING RESOURCES FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Net (expenditure)/income for the year before transfers	(3,940)	2,808
Deduct dividend, interest and rental income shown in investing activities	(1,061)	(943)
Add back depreciation charge	187	156
Add loss on disposal of fixed assets	13	10
(Deduct gains)/add unrealised losses on investments	6,305	(2,665)
Discontinued activity – transfer Colehaven Trust	-	(61)
Decrease/(increase) in debtors	(90)	(219)
Increase/(decrease) in creditors	(180)	(418)
(Decrease)/increase in pension provision	(423)	67
<b>Net cash provided/(used) in operating activities</b>	<b>811</b>	<b>(1,265)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividends	978	918
Interest	55	3
Rental income	28	23
	1,061	944
Purchase of Fixed Assets	(13)	(139)
Purchase of Investment Securities	(8,770)	(7,496)
Discontinued activity – transfer Colehaven Trust to another Trust	-	75
Proceeds from sale of investment securities	5,206	7,521
Proceeds from sale of tangible fixed assets	3	-
Decrease/(increase) in short-term deposits held by investment managers	975	(245)
<b>Net cash (used)/provided by investment activities</b>	<b>(1,538)</b>	<b>660</b>
<b>Decrease in cash and cash equivalents in the year</b>	<b>(727)</b>	<b>(606)</b>
Cash and cash equivalents brought forward	1,301	1,907
<b>Cash and cash equivalents carried forward</b>	<b>574</b>	<b>1,301</b>

## Notes forming part of the financial statements

**1 Status of Company**

Elizabeth Finn Care (trading as Turn2us) is a company limited by guarantee and does not have share capital. It is incorporated in England and Wales. The registered office address is Hythe House, 200 Shepherds Bush Road, London W6 7NL. The members of the company are the Trustees who are named on page 18. All members, in the event of the company being wound up whilst they are members or within one year of their ceasing to be members, are required to contribute an amount not exceeding £1.

**2 Accounting Policies**

a) The charity's individual and consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Charities (Accounts and Reports) regulations 2008, and the Charities Act 2011. The charity has taken advantage of section 408 of the Companies Act 2006 and has not produced a separate full unconsolidated profit and loss account. A summary of the profit and loss account for the charity and for each subsidiary is shown in Note 14.

**b) Group Accounts**

These Financial Statements consolidate the results of the charity, seven charities for which the charity was given uniting directions or allotted trusteeship (linked charities) and the charity's wholly owned subsidiaries: Elizabeth Finn Homes Limited, Elizabeth Finn Trading Limited, and dormant companies Turn2us and Turntous Ltd.

**c) Income Recognition**

All income is recognised once the charity has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

**ci. Income from donations, grants and legacies**

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

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

Legacies are recognised following grant of probate and once the charity has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the charity is probable. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

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

**cii. Investment income**

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Dividend income is credited when receivable.

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

**d) Expenditure Recognition**

All expenditure is charged to the SOFA on an accruals basis including any charge for VAT which is not recoverable. Central support costs (including governance costs) are allocated to each activity cost category on the basis of either relevant staff numbers or the proportion of time spent on each activity by the staff of each support cost centre.

**e) Fixed Assets**

Depreciation is provided as follows:

- Freehold buildings – 2% on a reducing balance basis
- Motor vehicles – 25% on a reducing balance basis
- Furniture and Equipment – 12.5% on a reducing balance basis
- IT Equipment – 20% on a straight line basis

Freehold land is not depreciated.

Items of building work and equipment are capitalised where the purchase price exceeds £10,000. Building work in progress is capitalised while the building work progresses. When the building work is complete the value is transferred to freehold buildings and depreciated thereafter. Expenditure on replacement computer hardware and software and sundry small items of equipment is written off as incurred.

f) **Investments** are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses are shown in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

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

h) **Foreign currency balances** have been translated at the rate current at 31 March 2020.

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

i) **Fund Accounting**

**Permanent Endowment Funds** – these represent funds permanently held in trust for the charity. For further details on endowment funds see Note 13 to the accounts.

**Restricted Funds** – these represent funds received for preferential purposes specified by the donor or by the charitable objects of the charities that have merged with Elizabeth Finn Care.

**Designated Funds** – this represents the net book 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.

j) **Grants to Beneficiaries** are recognised when the beneficiary has been notified that the grant has been agreed.

k) **Operating Leases**  
Rents paid under operating leases are charged to the SOFA equally over the lease term.

l) **Pensions**  
The charity has adopted full disclosures under FRS102 for the defined benefit pension scheme in note 17. The service and finance costs of the Scheme are allocated to specific activities of the resources expended based on finance cost attributions.

m) **Judgements and Key Sources of Estimation Uncertainty**  
In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and

underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

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

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

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

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

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

This uncertainty is heightened by the effect of Covid-19 on the UK economy in general and on the care home sector in particular.

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

n) **Going Concern**  
The Trustees have assessed going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income and net current liabilities. The charity is in a position to settle debts through divestment of its equity portfolio, if required. The Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

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

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

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

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

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

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

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

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

## 3 Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
<b>DONATIONS</b>					
Donations	559	369	-	928	681
County treasurers	8	3	-	11	10
	<u>567</u>	<u>372</u>	<u>-</u>	<u>939</u>	<u>691</u>
<b>LEGACIES</b>					
	3,639	-	-	3,639	1,440
	<u>4,206</u>	<u>372</u>	<u>-</u>	<u>4,578</u>	<u>2,131</u>

In 2019, of the £691,253 in donations, £521,129 was unrestricted, £170,124 was restricted, and £nil was endowment. All £1,439,604 of legacy income in 2019 was unrestricted.

The charity has received notification of 5 legacies with estimated future distributions of £759,500 (2019: £745,000), which have not been recognised as income as at 31 March 2020. They will be recognised in the future when the income recognition criteria are satisfied.

## 4 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
Property rent and services	28	-	-	28	23
Dividends	473	505	-	978	917
Interest on bonds and short term deposits	54	1	-	55	3
	<u>555</u>	<u>506</u>	<u>-</u>	<u>1,061</u>	<u>943</u>

In 2019, of the £943,684 in investment income, £504,373 was unrestricted, £439,311 was restricted, and £nil was endowment.

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

## 5a Expenditure (year ended 31 March 2020)

	CENTRAL SUPPORT COSTS							DIRECT COSTS	ALL COSTS TOTAL		
	CEO Office £'000	Finance £'000	Human Resources £'000	IT £'000	Property Services £'000	Administration £'000	Governance £'000	Total £'000	2020 £'000	2019 £'000	
<b>ACTIVITIES</b>											
Income generation	25	19	11	18	51	16	6	146	327	473	717
Care home maintenance*	-	-	-	-	-	-	-	-	391	391	597
Care home expenditure*	-	-	-	-	-	-	-	-	24,729	24,729	22,653
Investment management	-	63	-	-	-	-	7	70	190	260	174
Support & information services	129	67	61	94	265	83	27	726	1,935	2,661	2,304
Grants & allowances	-	-	-	-	-	-	-	-	3,595	3,595	3,835
Casework	115	57	54	84	237	74	24	645	1,027	1,672	1,518
Trading activities for charitable benefit	6	4	3	4	11	4	5	37	58	95	110
<b>Total</b>	<b>275</b>	<b>210</b>	<b>129</b>	<b>200</b>	<b>564</b>	<b>177</b>	<b>69</b>	<b>1,624</b>	<b>32,252</b>	<b>33,876</b>	<b>31,908</b>

In 2018/19 we awarded over 3,100 grants. In 2017/18 we awarded over 3,600 grants.

## NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging

	2020 £'000	2019 £'000
Depreciation	186,704	156,239
Loss on disposal of fixed assets	12,922	10,036
Operating lease rentals		
- Property	233	95
- Other	29	48
Auditors remuneration - audit of charity	15,250	18,480
Auditors remuneration - audit of subsidiaries	15,500	18,180
Auditors remuneration - defined benefit pension scheme audit	3,500	4,680
Auditors remuneration - tax advice & tax returns	3,250	1,603
Auditors remuneration - Audit, Risk & Governance Committee	3,750	3,114

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

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

## 5b Prior Year's Comparative for Expenditure (year ended 31 March 2019)

ACTIVITIES	CENTRAL SUPPORT COSTS							DIRECT COSTS	ALL COSTS TOTAL	
	CEO Office	Finance	Human Resources	IT	Property Services	Administration	Governance	Total	2019	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Income generation	68	21	8	81	126	17	17	338	379	717
Care home maintenance*	-	-	-	-	-	-	-	-	597	597
Care home expenditure*	-	-	-	-	-	-	-	-	22,653	22,653
Investment management	-	64	-	-	-	-	9	73	101	174
Support & information services	80	54	33	81	210	68	35	561	1,743	2,304
Grants & allowances	-	-	-	-	-	-	-	-	3,835	3,835
Casework	69	65	27	82	241	54	26	564	954	1,518
Trading activities for charitable benefit	11	11	-	10	25	-	-	57	53	110
<b>Total</b>	<b>228</b>	<b>215</b>	<b>68</b>	<b>254</b>	<b>602</b>	<b>139</b>	<b>87</b>	<b>1,593</b>	<b>30,315</b>	<b>31,908</b>

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

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

## 6 Trustees and staff

Aggregate staff costs are made up as follows:

	2020 £'000	2019 £'000
Wages and salaries	17,308	16,657
Agency staff	716	510
Social security costs	1,407	1,348
Employer contribution to defined contribution schemes	878	762
Other staff related costs	104	105
Redundancies and terminations	61	37
	<u>20,474</u>	<u>19,419</u>
Operating costs of closed defined benefit scheme	14	28
	<u>20,488</u>	<u>19,447</u>

The average number of employees, both full and part time, during the year was 789 (2019: 767), representing full time equivalents of 698 (2019: 678).

The total, stated on a full time equivalent basis, comprised:	2020	2020	2019	2019
	Full-time	Part-time	Full-time	Part-time
In the Homes	339	295	318	296
<b>At Headquarters:</b>				
Homes Department	8	-	6	1
Operations	24	5	24	5
Fundraising	6	-	6	-
Finance	4	1	4	1
IT	2	-	3	-
Human Resources	5	1	5	-
Chief Executive's Department and Communications	7	1	8	1
	<u>395</u>	<u>303</u>	<u>374</u>	<u>304</u>

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

	2020	2019
£60,001 to £70,000	3	5
£70,001 to £80,000	3	3
£80,001 to £90,000	3	3
£90,001 to £100,000	1	2
£100,001 to £130,000	1	-
£130,001 to £140,000	1	1
£140,001 to £150,000	1	1

Total pension contributions for all of the higher paid staff of Elizabeth Finn Care and Elizabeth Finn Homes Limited were £141,796 (2019: £174,170). These are all payments to defined contribution schemes – none of the higher paid staff were members of the closed defined benefit scheme.

The higher paid employees were three Directors from Turn2us, (2019: four), and ten (2019: eleven) senior commercial subsidiary staff (who had earned performance related bonuses in those years).

The Group's key management personnel, who have authority and responsibility for planning, directing and controlling the activities of the Group, were the charity's Trustees and the directors of the charity. The total employee benefits of the charity's key management personnel were £477,882 (2019: £332,428).

Trustees are not remunerated. Refreshments and reimbursement of travel expenses for 3 of the Trustees attending meetings amounted to £2,183 (2019: £3,614).

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

## 7 Tangible fixed assets

	FREEHOLD		Buildings Work in Progress	Furniture and Equipment	Motor Vehicles	IT Equipment	Total
	Land	Buildings					
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019 (restated)	1,685	10,279	14	32	33	194	12,237
Additions	-	-	-	3	-	10	13
Disposals	-	-	(14)	-	(33)	-	(47)
At 31 March 2020	1,685	10,279	-	35	-	204	12,203
<b>Depreciation</b>							
At 1 April 2019	-	3,250	-	14	31	160	3,455
Disposals	-	-	-	-	(31)	-	(31)
Charge for the year	-	145	-	3	-	39	187
At 31 March 2020	-	3,395	-	17	-	199	3,611
<b>Net book amount</b>							
At 31 March 2020	1,685	6,884	-	18	-	5	8,592
At 31 March 2019	1,685	7,029	14	18	2	34	8,782

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

## 8 Fixed Assets – Investments

	Cash for Investment	Listed Investments	Property	Group Total	Charity's Shares in Subsidiaries	Charity Total
Market value:	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019 (restated)	1,957	44,766	1,566	48,289	-	48,289
Additions at cost	-	8,770	-	8,770	-	8,770
Proceeds from disposals	-	(5,206)	-	(5,206)	-	(5,206)
Movement in cash	(975)	-	-	(975)	-	(975)
Net realised gains/(losses)	-	344	-	344	-	344
Net unrealised gain/(losses)	-	(6,650)	-	(6,650)	-	(6,650)
<b>At 31 March 2020</b>	<b>982</b>	<b>42,024</b>	<b>1,566</b>	<b>44,572</b>	<b>-</b>	<b>44,572</b>

Listed investments at market value comprised:	2020	2019
	£'000	£'000
UK listed equities	13,504	13,285
UK fixed interest investments	1,836	1,641
UK funds	563	-
Unlisted investments	23	24
Overseas funds	14,434	17,423
Listed or regulated overseas	11,664	12,392
	42,024	44,765

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

The fair value of investment property is based on a valuation by an independent Chartered Surveyor who holds a recognised professional qualification and has recent experience in the location and class of the investment properties being valued.

Capital values recorded are not based upon Red Book valuations where full title restrictions are investigated but are based upon the directors' knowledge of each asset. Certain assets are held in Trust and are not liquid so have therefore been valued at a nominal £1.

Individual assessments of value have taken account of known maintenance obligations.

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

## 9 Charity's shares in subsidiaries

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

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

The Charity also controls two dormant subsidiaries:

	Company No:	Country of Incorporation
Turn2us	6136422	England & Wales
Turntous Ltd	6136521	England & Wales

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

## 10 Debtors

	GROUP		CHARITY	
	2020	2019	2020	Restated 2019
	£'000	£'000	£'000	£'000
Amount due from subsidiaries	-	-	44	26
Trade debtors	856	644	15	4
Other debtors	8	229	8	9
Prepayments and accrued income	555	456	399	291
	<b>1,419</b>	<b>1,329</b>	<b>466</b>	<b>330</b>

## 11 Cash at Bank

	GROUP		CHARITY	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand	574	1,301	222	593

## 12 Creditors: Amounts falling due within one year

	GROUP		CHARITY	
	2020	Restated 2019	2020	Restated 2019
	£'000	£'000	£'000	£'000
Amount due to subsidiaries	-	-	1,475	1,100
Trade creditors	510	595	142	170
Social security and other taxes	353	378	70	61
Accruals and deferred income*	2,193	2,269	169	303
Sundry creditors	124	118	19	19
	<b>3,180</b>	<b>3,360</b>	<b>1,875</b>	<b>1,653</b>

## \*Movement in Deferred Income

	GROUP	
	2020	Restated 2019
	£'000	£'000
Amount brought forward	830	907
Increase in deferred income	770	830
Released in year	(830)	(907)
Amount carried forward	<b>770</b>	<b>830</b>

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

## 13 Analysis of Group Net Assets as at 31 March 2020

	PERMANENT ENDOWMENT FUNDS			
	Arthur Hurst Will Trust £'000	Dresden Homes Trust £'000	Other £'000	Total £'000
<b>FIXED ASSETS</b>				
Tangible fixed assets	-	-	-	-
Investments	740	985	12	1,737
Net current assets	-	-	-	-
Actuarial unrealised pension deficit	-	-	-	-
<b>Net assets</b>	<b>740</b>	<b>985</b>	<b>12</b>	<b>1,737</b>
<b>FUNDS</b>				
At 1 April 2019 (restated)	894	1,152	12	2,058
Income	-	-	-	-
Expenditure	(3)	(4)	-	(7)
Gains/(losses)	(151)	(163)	-	(314)
Transfer between funds	-	-	-	-
<b>At 31 March 2020</b>	<b>740</b>	<b>985</b>	<b>12</b>	<b>1,737</b>

## PERMANENT ENDOWMENTS

**Arthur Hurst Will Trust (Charity No. 207812-7)**

This Charity as transferred to Elizabeth Finn Care by the Public Trustee on 28 September 2013 following discharge of obligations to certain former beneficiaries. The income from the Trust is applied to the relief of distressed gentlewomen; clergy who have retired due to ill health; and education of clergy orphans.

**Dresden Homes Trust (Charity No. 207812-4)**

The 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 in permanent endowment to make grants for the relief of former residents of the Dresden Homes Trust.

**Other**

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

	RESTRICTED FUNDS							DESIGNATED FUND	UNRESTRICTED RESERVES	TOTAL FUNDS	
	Edinburgh Trust £'000	Covid-19 Appeal Fund £'000	Arthur Hurst Will Trust £'000	Dresden Homes Trust £'000	Lloyds Support Fund £'000	Homes' amenity funds £'000	Other £'000	Total £'000	£'000	£'000	£'000
	-	-	-	-	-	-	-	8,592	-	8,592	
	14,418	-	115	23	4,426	-	-	18,982	-	23,853	44,572
	(134)	275	(44)	198	(76)	256	151	626	-	(1,813)	(1,187)
	-	-	-	-	-	-	-	-	-	233	233
	<b>14,284</b>	<b>275</b>	<b>71</b>	<b>221</b>	<b>4,350</b>	<b>256</b>	<b>151</b>	<b>19,608</b>	<b>8,592</b>	<b>22,273</b>	<b>52,210</b>
	16,354	-	64	200	4,954	283	178	22,033	8,782	23,277	56,150
	388	275	23	26	103	25	276	1,116	-	34,702	35,818
	(499)	-	(16)	(4)	(41)	(52)	(303)	(915)	-	(32,953)	(33,875)
	(1,959)	-	-	(1)	(666)	-	-	(2,626)	-	(2,943)	(5,883)
	-	-	-	-	-	-	-	-	(190)	190	-
	<b>14,284</b>	<b>275</b>	<b>71</b>	<b>221</b>	<b>4,350</b>	<b>256</b>	<b>151</b>	<b>19,608</b>	<b>8,592</b>	<b>22,273</b>	<b>52,210</b>

## RESTRICTED FUNDS

**Edinburgh Trust**

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

**Arthur Hurst Will Trust**

Elizabeth Finn Care administers this fund. The objects of the Trust fall within those of Elizabeth Finn Care.

**Dresden Homes Trust (Charity No. 207812-6)**

The income supports the general charitable activities of Elizabeth Finn Care, but preference must be given to making grant for the relief of former residents of the Dresden Homes Trust.

**Homes' amenity fund**

Funds have been raised or given over the years and are used for the benefit of the residents of Elizabeth Finn Homes.

**The Lloyds Support Fund (Charity No. 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.

**Other**

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

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

## 14 Charity and subsidiary results

## a) a) Related Party transactions with wholly owned subsidiaries

No related party transactions were entered into during the year to 31 March 2020 with exception of those with regards to Elizabeth Finn Homes Limited (EFHL) and Elizabeth Finn Trading Limited (EFTL), both subsidiary companies of Elizabeth Finn Care.

During the year Elizabeth Finn Care charged EFHL rent of £3,663,843 (2019: £3,663,843) for the use of its properties and office premises and recharged staff costs of £77,563 (2019: £130,227).

At 31st March 2020 Elizabeth Finn Care owed EFHL a net balance of £1,474,795 (2019: £1,099,632) – see note 12.

During the year Elizabeth Finn Care recharged EFTL staff costs £10,191 (2019: £0).

At 31st March 2020 EFTL owed Elizabeth Finn Care a net balance of £43,675 (2019: £26,331) which includes gift aid of £783 – see note 10.

## b) Financial activities of the Charity

	2020 £'000	Restated 2019 £'000
Gross incoming resources	9,539	7,419
Elizabeth Finn Trading covenant due	1	7
Elizabeth Finn Homes Limited covenant due	1,487	1,960
	<b>11,027</b>	<b>9,386</b>
<b>Expenditure on raising funds:</b>		
Income generation	(473)	(705)
Landlord refurbishment/maintenance of homes	(391)	(596)
Investment management costs	(259)	(171)
<b>Expenditure on charitable activities:</b>		
Support & information services	(2,661)	(2,285)
Assistance given to those in need	(3,596)	(3,862)
Casework	(1,672)	(1,502)
Trading activities for charitable benefit	(32)	(55)
Net income/(expenditure)	1,943	(210)
Investment (losses)/gains	(6,306)	2,665
Actuarial gains/(losses) on defined benefit pension scheme	423	(67)
Net resources movement for year	(3,940)	2,808
Total funds brought forward	56,150	53,403
Endowment fund transferred out	-	(61)
Total funds carried forward	52,210	56,150

## c) Financial activities of Elizabeth Finn Homes Limited

	2020 £'000	2019 £'000
Income	29,879	28,756
Cost of services	(28,392)	(26,796)
Net surplus	<b>1,487</b>	<b>1,960</b>
Covenant to charity	(1,487)	(1,960)
Retained surplus	-	-
Current assets	2,729	2,770
Current liabilities	2,729	2,770
Net assets (in £)	<b>£2</b>	<b>£2</b>
Share capital (in £)	£2	£2

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

## 14 Charity and subsidiary results (continued)

## d) Financial activities of Elizabeth Finn Trading Limited

	2020 £'000	Restated 2019 £'000
Income	63	63
Cost of sales	(58)	(53)
<b>Gross profit</b>	<b>5</b>	<b>10</b>
Administrative costs	4	3
<b>Operating profit</b>	<b>1</b>	<b>7</b>
Interest income	-	-
<b>Profit/(loss) before and after tax</b>	<b>1</b>	<b>7</b>
Covenant payment to Elizabeth Finn Care	(1)	(7)
Retained profit/(loss)	-	-
Loss brought forward	-	-
Total reserves carried forward	-	-
Current assets	95	62
Current liabilities	(95)	(62)
Net liabilities (in £)	-	-
Share capital (in £)	£2	£2
Reserves	-	-
<b>Total funds (in £)</b>	<b>£2</b>	<b>£2</b>

## 15 Commitments

## Properties

Hythe House, 200 Shepherds Bush Road, London W6 7NL is the Head Office of the charity. The charity took out a 10 year lease (dated 27 September 2019) with a 5 year break point. The charity occupies 6,245 sq. ft. and is paying rent of £312,250+VAT pa and a service charge of £67,298.96+VAT pa (capped at £84,830 pa). A twelve month rent free period was granted from the start of the new lease in September 2019, spread over two years ie. £156,125+VAT pa until September 2021. The rent is reviewed after 5 years unless the break option is implemented. The total of minimum rent payments until the 5 year break in 26 September 2024 is £1,473,783+VAT (2019: £78,933 + VAT), split between £223,424+VAT due within one year, £1,250,359+VAT due between 1 and 5 years, and £nil (2019: £nil) due after five years.

## Equipment and motor vehicles

As at 31 March 2020, the group had operating leases with £41,961+VAT (2019: £28,708+VAT) falling due within one year; £74,509+VAT (2019: £40,079+VAT) falling due between one and five years; and £nil (2019: £nil) falling due after five years.

The charity is partially exempt for VAT and cannot fully recover input tax.

## 16 Volunteers

Our work is supported by 213 volunteers, the majority of these volunteers complete grant review visits to assist our Caseworkers in making decisions regarding the level of financial support (in the form of a grant) we are able to provide. Our volunteer befrienders provide a friendly face and a listening ear to vulnerable, isolated and lonely grant recipients; and our office volunteers provide administrative support to teams at our Head Office.

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

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

## 17 Defined benefit pension scheme

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

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

	31 March 2020	31 March 2019
<b>Increases for pensions in payments</b>		
Pre 31 October 2006 (RPI max. 5%)	2.60%	3.10%
Post 31 October 2006 (RPI max. 2.5%)	1.90%	2.10%
Liability discount rate	2.40%	2.30%
Inflation assumption (RPI)	2.60%	3.30%
Consumer Price Inflation	2.10%	2.30%
Deferred pension revaluation (CPI 2.5% cap)	2.10%	2.30%
Deferred pension revaluation (CPI 5% cap)	2.10%	2.30%

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

For a male aged 65 now	21.1	21.6
At 65 for a male member aged 45 now	22.5	23.4
For a female aged 65 now	23.0	23.7
At 65 for a female member aged 45 now	24.6	25.6

The market value of assets in the scheme and the present value of the liabilities in the Scheme at the balance sheet date were as follows:

<b>ASSETS</b>	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Total market value of assets	3,621	3,660

**NEW DEFINED BENEFIT LIABILITY**

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Total market value assets	3,621	3,660
Value of funded obligations	(3,388)	(3,850)
Net pension (liability)/asset	233	(190)

The accrual of future benefits for active members was terminated with effect from 31 March 2013 and hence both future pension costs and future employee contributions are £nil.

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

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Plan assets	3,621	3,660	3,467	3,595	3,281
Defined benefit obligation	(3,388)	(3,850)	(3,590)	(3,910)	(3,197)
Surplus/(deficit)	233	(190)	(123)	(315)	84

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

## 17 Defined benefit pension scheme (continued)

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

	2020 £'000	2019 £'000
Service cost	-	-
Net interest expense	4	3
Past service costs	-	-
Settlement on curtailments	-	-
Total operating charge	4	3

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

	2020 £'000	2019 £'000
<b>At 1 April 2019</b>	3,850	3,590
<b>Movement in year:</b>		
Current service costs	-	-
Interest cost	88	93
Actuarial loss/(gain)	(495)	221
Settlement or curtailments	-	-
Benefits paid	(55)	(54)
<b>Total movement in year</b>	<b>(462)</b>	<b>260</b>
<b>At 31 March 2020</b>	<b>3,388</b>	<b>3,850</b>

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

**ANALYSIS OF THE CHANGE OF THE FAIR VALUE OF THE PLAN ASSETS:**

	2020 £'000	2019 £'000
Opening fair value of plan assets	3,660	3,467
Interest income	84	90
Asset gains /(losses)	(68)	143
Contributions	-	14
Benefits paid	(55)	(54)
Closing fair value of plan assets	3,621	3,660

The asset gain (loss) is the actual asset return over the year of £16,000 (2019: (£233,000) less the interest income of £84,000 (2019: £90,000).

The employer paid £nil contributions to this defined benefit pension plan in the year to 31 March 2020 (year to 31 March 2019: £14,000, based on triennial calculations).

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

## 17 Defined benefit pension scheme (continued)

## ANALYSIS OF THE ACTUARIAL LOSS RECOGNISED IN THE SOFA – OTHER RECOGNISED GAINS/(LOSSES)

	2020 £'000	2019 £'000
Actual return less interest income recognised in the SOFA	(68)	143
Experience gains/(losses) arising on benefit obligation	24	(14)
Effect of assumptions changes on benefit obligation	471	(207)
Other charges	(4)	-
Actuarial gain/(loss) recognised in SOFA	423	(78)
<b>Difference between the asset return and the interest income recognised in the SOFA (£'000)</b>	(68)	143
as % of scheme's assets	2%	4%
<b>Experience gains/(losses) on obligation (£'000)</b>	24	(14)
as % of obligation	1%	1%
<b>Total amount recognised in SOFA (£'000)</b>	423	(78)
as % of obligation	13%	2%

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

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

## 18 Related Party Transactions

Other than as disclosed in note 14a, there have been no related party transactions (2019: none).

## 19 Restatement of Comparatives

## RESERVES POSITION

	31 MARCH 2019			
	Unrestricted £'000	Restricted £'000	Endowments £'000	Total £'000
Funds previously reported	31,317	22,301	1,499	55,117
<b>Adjustments:</b>				
Reallocation of gains on endowments	(291)	(268)	559	-
Change in covenant from EFTL	(26)	-	-	(26)
Fair value adjustment for investment properties	1,059	-	-	1,059
<b>Funds restated</b>	<b>32,059</b>	<b>22,033</b>	<b>2,058</b>	<b>56,150</b>

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

## 19 Restatement of Comparatives (continued)

## RESERVES POSITION

	31 MARCH 2018			
	Unrestricted £'000	Restricted £'000	Endowments £'000	Total £'000
Funds previously reported	29,699	21,118	1,560	52,377
<b>Adjustments:</b>				
Reallocation of gains on endowments	(208)	(237)	445	-
Change in covenant from EFTL	(33)	-	-	(33)
Fair value adjustment for investment properties	1,059	-	-	1,059
<b>Funds restated</b>	<b>30,517</b>	<b>20,881</b>	<b>2,005</b>	<b>53,403</b>

## INCOME &amp; EXPENDITURE

	31 MARCH 2019			
	Unrestricted £'000	Restricted £'000	Endowments £'000	Total £'000
Net movement of funds previously reported	1,618	1,183	-	2,801
<b>Adjustments:</b>				
Reallocation of gains on endowments	(83)	(31)	114	-
Change in covenant from EFTL	7	-	-	7
<b>Funds restated</b>	<b>1,542</b>	<b>1,152</b>	<b>114</b>	<b>2,808</b>

## DETAILS OF ADJUSTMENTS:

**Reallocation of gains on endowment funds:** previously investment managers' fees and unrealised gains on the Arthur Hurst Will Trust and Dresden Homes Fund had not been allocated to the permanent endowment. This has been corrected.

**Change in covenant from EFTL:** Elizabeth Finn Trading Limited predominantly sells one-year licences for the use of our benefits calculator. Income on these sales should have been accrued over a one-year period. This was not done in the past and has been corrected.

**Fair value adjustment for investment properties:** Elizabeth Finn Charity has a portfolio of investment properties. A fair market value for the portfolio was not shown in past accounts. This has been corrected.

In addition to the above, the follow adjustments relating to prior periods do not affect the funds or net movements in funds as previously stated:

**Reclassification of tangible assets to investments:** previously, three investment properties totalling £321,519 were included in tangible fixed assets. This has been corrected.

**Change in assistance given to those in need:** As part of charitable activities, Turn2us supports residents in Elizabeth Finn Care Homes who experience financial hardship. In the past, these grants have been netted off income in the combined accounts. This has been corrected to show as expenditure in charitable activities.

## 20 Post Balance Sheet Event

As part of its property investment portfolio, the charity owns a 19-acre plot of land in Virginia Water, adjacent to our Merlewood Care Home. This land has been part of the Green Belt and not zoned for development, and it has been valued accordingly in the accounts. In July 2020, as part of the 2030 Local Plan, Runnymede Council re-zoned the land to allow development, which will significantly increase the value of the asset.

# THANK YOU

for your support in 2019/2020

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## INDIVIDUAL ACKNOWLEDGEMENTS

- ▶ Ms Philippa Copleston-Warren
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- ▶ Ms Carrie Stokes
- ▶ Ms Frances Jackson
- ▶ Mr Slater King
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- ▶ Charles & Elsie Sykes Trust
- ▶ Comic Relief
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# TURN2US

FIGHTING UK POVERTY



## CONTACT US:

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

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