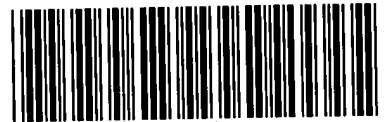


# TURN2US ANNUAL REPORT AND ACCOUNTS

2020-2021



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## TURN2US

Turn2us is a trading name of Elizabeth Finn Care  
Company number: 00515297



## SALLY O'SULLIVAN, CHAIR OF TRUSTEES - INTRODUCTION

It's hard to believe that, when writing our last Annual Report & Accounts, we were at the beginning of a global pandemic that would change the course of history and our lives.

Now, one year later, we have a far greater understanding of the impact Covid-19 has had on our lives, and livelihoods. We are also able to chart the impact Turn2us has had during this time and how we have managed to get immediate financial support and information to those of us at the point of crisis.

The economic implications of the pandemic are unrivalled and most of us in the UK have never experienced an event of such magnitude. The implications will be far reaching for generations to come and I am in no doubt that charities such as ours will continue to play a crucial role in helping people keep their heads above water while the economy embarks on its road to recovery.

We know that life events can happen to anyone. Of course, they won't often be of the same magnitude as the coronavirus. But whether it's through the death of a loved one, the diagnosis of a life limiting illness, a job loss, or even the birth of a baby, they can and do cause a significant financial shock and loss of income to many lives across the UK. Sadly, the most marginalised amongst us are the worst affected. Sometimes this is temporary, while other times it can be more long term and even be the catalyst for pushing people into financial crisis.

Over the course of this last year, we have invested a great deal of time and resources into providing vital support as these life events unfold for people. You will see from this report, that we have given out over £4.6 million in grants to 5,586 people and helped 2.6 million people understand their benefit entitlement through our benefits calculator tool.

Even in the best of times, we would be able to be proud of this work. But the last year has not been the best of times and it is testament to the hard work and dedication of all of our teams across the charity that they have been able to increase our reach and offer our services to as many people as possible. This has taken place under the leadership of our chief executive, Thomas Lawson, and our team of directors who drive forward our charity's purpose and strategy.

We are lucky to have such driven and talented leadership, guiding us through the current storm engulfing our nation and I would like to offer them all, along with their teams, my sincerest thanks for all that they have done and continue to do.

As we provide you with this update on the year gone by, we do so with one eye also on the future. Our work and understanding of poverty in the UK, and the impact of life events on people's financial security, is growing all the time.

Next year, we celebrate our 125th Anniversary and recognise the incredible legacy left behind by our founder, Elizabeth Finn. As ever, we will strengthen our understanding of life events and of those of us who are increasingly plunged into financial insecurity, or even poverty. This work will enable us to write the next chapter for Turn2us. I am personally very proud to be a part of this and want to thank you for the role you continue to play in continuing our story. Hopefully we can look forward together to a future where charities like ours are no longer needed.

Sally O'Sullivan,  
Chair of the Board of Trustees



We are lucky to have such driven and talented leadership, guiding us through the current storm engulfing our nation and I would like to offer them all, along with their teams, my sincerest thanks for all that they have done and continue to do.



## THOMAS LAWSON, CHIEF EXECUTIVE - AN OVERVIEW

Over the course of the last year, millions of us have been thrown into financial hardship and the coronavirus pandemic has shone a light on quite how precarious life really is. While unemployment, debt and poverty are predicted to continue to rise, our determination to fight the unfair and pernicious reality of not having enough money to live on is stronger than ever.

In response to the pandemic, we developed a joint crisis grant and information programme in partnership with six community-based organisations. The programme specifically targets Bangladeshi and Black African women who, as both our own research and government data shows, have been disproportionately affected by Covid-19. We also successfully appointed a new Helpline provider, Connect Assist. The new contact centre went live in November 2020 and has already started to deliver an increased level of support, with an additional 2,500 calls, web chats and emails answered in the first six months; compared to the same period of time the year before.

There has never been a more important time for the experiences and insight of people with lived experience of financial hardship to remain front and centre of our work. Our teams across the charity have been working closely with our co-production partners so that the services and support we offer to people meet their needs – in the best possible way and at the moment they need it. In just this financial year alone, we have co-designed our work with over 60 people on 29 different projects throughout the organisation.

As we reflect on the last year, we are reminded of all the people who made this possible. Our staff team, co-production partners and Board of Trustees, led by our dedicated Chair, Sally O'Sullivan, have been steadfast in their commitment to making sure we get all the help we can to people, as quickly and efficiently as possible. And our achievements would not have been conceivable without the wonderful support we receive from volunteers, our sector partners, donors and corporate supporters. Together, they have played an instrumental role so our grants and services can continue, and even grow, during an exceptionally difficult and challenging time.

As Sally O'Sullivan mentioned, next year is an opportunity for us, together with all of you who make our work possible, to continue writing the story of Turn2us. Our plans for 2021/22 are ambitious, but so are the incredible people driving us forward. We know that poverty is not inevitable and for the fifth wealthiest nation in the world, it is our country's greatest shame that a fifth of us face financial hardship. By working together, I am confident that we can continue to challenge the systemic issues that pull people down, and bring about real and meaningful change so everyone has the opportunity to thrive.

Thomas Lawson,  
Chief Executive of Turn2us

- Our emergency fundraising appeal in The Telegraph helped raise over **£1.3 million**, meaning we were able to get crisis cash grants to around **2,610** households in just a few weeks. Following this tremendous support, more donors were inspired to give an additional **£1.2 million** directly to the charity.
- Over **8.8 million** people visited our website over more than **13.3 million** sessions; this equates to a thousand people per hour. Over **1.3 million** people also carried out a grant search.
- Over **750 people** were supported through the Edinburgh Trust, with grants totalling **£513k**.
- Three of our Elizabeth Finn Homes (30%) 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 YEAR IN NUMBERS

Today, in the UK, more than one in five of us is living in poverty – that's at least 14.5 million people. Turn2us is committed to fighting this inequality and here are some key highlights from the last year that demonstrate how we are doing this.



We gave over  
**£4.6 million** in grants  
to 5,586 people in  
financial need



**1.3M**  
grant searches  
were completed



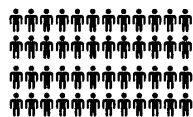
**8.8M**  
people visited our  
website for information  
to help them tackle  
financial shocks



**81K**  
Our helpline received  
over 81,000 contacts from  
people needing support  
to access our services  
and those of others



**2.6M**  
people completed a  
benefits calculation



After completing a  
benefits calculation  
online, at least  
224,000 people  
claimed new benefits  
in the past financial  
year – that is 610  
people a day claiming  
up to an additional  
£5,230 in benefit  
income each year

## TURN2US'S PURPOSE & STRATEGY 2020-2023

Turn2us is a national charity that offers practical information and support to people facing financial shocks. We work alongside people who have experienced not having enough money to live on to develop practical information and support that helps people cope with life-changing events such as job loss, illness or bereavement.

### We do this through:

- The Turn2us website ([www.turn2us.org.uk](http://www.turn2us.org.uk)), which includes: a Benefits Calculator to find out what welfare benefits and tax credits you could be entitled to; a Grants Search to find out if you might be eligible for support from over 1,500 charitable funds; and a range of information and resources to help people struggling to get by.
- Offering direct financial assistance through a range of specific funds that are managed directly by the charity. This includes the Edinburgh Trust in Scotland, the Elizabeth Finn Fund, which supports people from over 120 different professions, and the Turn2us Response Fund which supports people when they have had a life-changing event in the last 12 months that has left them in financial hardship.

The charity also has a wholly owned commercial subsidiary, Elizabeth Finn Homes Ltd (EFHL), which operates nine care homes across England and whose profits contribute to the running costs and charitable aims of the charity.

Our purpose and three-year strategy puts the people for whom we exist at the heart of all we do. It clearly sets out our commitment and approach:

- 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 own situations and our role is to support them to be their own agents of change in their own lives.
- 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.

Turn2us is 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 Impact Report outlines how we plan to do this and highlights the progress made to date.

**Our purpose: So everyone has the opportunity to build financial security 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.**



# STRATEGIC REPORT

## ACHIEVEMENTS AND PERFORMANCE

Working with colleagues, our management team set a total of 38 objectives for 2020/21. Here we summarise our performance and some of our key achievements, as well providing an overview of how we will build on this, and deepen our impact, in 2021/22.



### OBJECTIVE 1:

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

- During the last year, we began to streamline our grants process to improve how we award grants to people, with dignity, respect, equality and accountability. This included reviews of our partnership referral grants and changes to the assessment documents for the Edinburgh Trust. We designed a fast track grant process for our emergency Covid-19 fund, so we could more quickly award grants to people who were impacted financially. We also worked with a digital partner to pilot open banking for applicants. Looking ahead, we will complete the in-depth review of our main funds and consider further digital improvements and solutions to increase our reach and impact. This includes ensuring we undertake grant making work through the development of Equity, Diversity and Inclusion lenses. We also plan to redevelop our Customer Relationship Management solution to improve reporting and management.
- Our grants and digital teams worked with co-production partners to redesign the Grants Search tool in order to create simple user journeys which enable people to more easily find and apply for grants. This year, we will implement the learnings from this to ensure a streamlined experience for users of the tool and other areas of the digital platform; making it easier for people to access support.
- Early on in the year, we took the decision to re-prioritise our work in Scotland, whilst we continue to identify and approach donors to help fund a Scottish Benefits Calculator. In line with this, we are building upon existing infrastructure by focusing our work in Edinburgh. Following the release of the Edinburgh Poverty Commission report, which identified seven calls to action for eradicating poverty by 2030, we are developing our programmes which will lead to an expansion of our work in the city. Our information team will also develop specialist knowledge on Scottish Benefits.
- Our Helpline was successfully retendered, with the appointment of a new provider, Connect Assist, in July 2020. Our new service went live in November 2020 and has already begun to deliver a 20% uplift in volume of support, without compromising quality. As part of this work, we introduced a Stakeholders Panel, including four co-production partners, to provide strategic oversight of the project development and execution. We are working with the new Helpline to meet the continued increase in demand, resulting from the impact of the pandemic on people's lives. Furthermore, we are developing ways to deliver support in multiple languages and through the addition of easy to use automation. This will enable us to better meet the more complex needs of marginalised or excluded parts of society, by speaking their own language and freeing up advisor time to enable more in-depth interactions with people in the greatest need.



"Our grants and digital teams worked with co-production partners to redesign the Grants Search tool in order to create simple user journeys which enable people to more easily find and apply for grants."

## OBJECTIVE 2:

Deliver even 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 a dedication to insight, evaluation and learning.

- At the heart of our strategy is a determination to design, deliver and evaluate our work hand-in-hand with people who know what it is like to not have enough money to live on. Our newly established co-production officer role within the charity has helped us to make great headway in this area. They have worked with lived expert partners to create our first co-production framework and toolkit which details best practice processes for developing our work. Last year, over 60 people were involved in both co-producing and improving our projects and programmes. This approach will remain at the forefront of how we deliver our programmes, services and communications. We will also continue to develop opportunities across the charity, increase the number of people involved, and establish a peer support network for co-production partners.
- As part of our Covid-19 response, we developed a joint crisis grant and information programme in partnership with six local, community based organisations. This programme specifically targeted Bangladeshi and Black African women who, as research has shown, have been disproportionately affected by the pandemic. The insights and learnings from our Covid programme will be reflected in our future approaches. This will ensure we continue to target people who are at greatest risk of financial hardship following life events. A local programmes strategy will also be developed, in order to help us to increase our impact within communities.
- The development of impact evaluation and learning plans, and the combination of data analysis and qualitative interviews with national research, has enabled us to build an evidence base for improvements to existing services and the creation of new ones. Through this work, we have been able to better reach the more marginalised and minoritised people who have previously been under represented in our work, and been able to respond to changing needs and contexts. We will now build our evidence base so that we can better understand the impact of our work and improve our offering for people economically impacted by life events. This includes developing a greater understanding of life events themselves.
- We have recruited a new volunteering team as an integrated part of our Information Programmes. Together with co-production partners, they have started to re-think what volunteering for Turn2us means and rolled out the first of a series of e-learning resources on grants and welfare benefits. This work is specifically being developed with volunteers in partner organisations working to support their communities to ensure more people are enabled to access our information and support at the point that they need it. Working with lived experts, we will complete a co-production process for volunteering so we are clear that this area of work best reflects the needs of our service users. We will also continue the development and delivery of a volunteering strategy in collaboration with local, community focused groups. This strategy will provide the tools and information local groups need in order to help amplify their work. It will also establish partnerships that allow our Helpline to confidently refer and signpost callers with problems outside our core expertise to more specialist support within their communities.



The insights and learnings from our Covid programme will be reflected in our future approaches. This will ensure we continue to target people who are at greatest risk of financial hardship following life events.

## 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.

- Following research into the people most affected by the coronavirus pandemic, we have started to target our media and awareness activity in order to ensure we reach underrepresented groups of people. This includes women, people from Black, Asian and other ethnic minoritised backgrounds, people who identify as disabled, and self-employed workers. We will also use our 125th Anniversary to reach more people impacted by the financial implications of a life event.
- During the course of this year we undertook several quantitative and qualitative surveys to understand the scale and impact of poverty in the UK. Our policy and programme teams used the findings to persuade government to make changes on policy areas such as Universal Credit, Local Welfare Assistance Schemes and child benefits. Our charity wide integrated campaign will tackle the causes and symptoms of poverty and focus on delivering programmes that are rooted in insight and policy work. We will do this in collaboration with both co-production partners and sector partners, ensuring our policy work remains grounded in the needs of the people for whom we are here to serve.
- We have developed a number of new relationships with a range of partners to continue to deliver our local, grant making and information programmes. Notably, as part of the Covid-Response programme, we successfully developed new partnerships with six organisations in order to reach those people most in need. These relationships are based on the principles of equity and mutual benefit to ensure the programme has measurable and collective impact. We are continuing to develop a UK-wide partnership with the National Emergencies Trust, which means when a disaster happens in the UK, we can respond with grant making and information programmes that are relevant to the affected communities.
- A thorough and fully co-produced evaluation of our brand was undertaken with lived experts, external stakeholders, colleagues and trustees. A subsequent working group, with pro-bono support from a specialist brand agency, went on to evolve our brand according to our needs and make recommendations for how best to move forward so our charity is fit for purpose in a post-pandemic world. Continuing our collaboration with co-production partners and colleagues alike, we will launch and implement our new visual identity across all channels and with all stakeholders. The imagery, stories and videos that communicate our values and purpose will be used to reposition the charity towards the people for whom it is here to serve and to make our services more visible and accessible amongst the communities who need us.





## 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.**

- We undertook ongoing research on the impact the pandemic has had on people's finances in order to advocate for temporary additional policy measures to protect people from crisis. This included contributing to joint campaigning with a number of sector partners, including the Joseph Rowntree Foundation and the End Child Poverty Coalition. Work during this period included a briefing in the immediate aftermath of lockdown and proactive lobbying around the Comprehensive Spending Review, the Budget and the scheduled end of the £20 uplift. In partnership with New Philanthropy Capital (NPC) and Buttle UK, we have started to develop a Local Needs Databank to combine our findings with data from other organisations from within the grant making sector. In the year ahead, our teams will implement a co-produced policy and advocacy strategy that aligns to our programmes and purpose. We will work towards understanding the impact of life-changing events and make the case for economic and welfare reform, and develop a piece of collaborative research with the Bennett Institute for Public Policy. We will also develop a digital campaigning platform so users of our website and programmes can advocate for themselves on the issues that affect them.
- In the latter half of 2020, we increased our efforts to amplify the voices of people living in poverty. This included the establishment of an External Affairs Committee, comprised of people with lived experience of financial hardship and many who have claimed benefits. Since the group was formed, it's diverse membership of lived experts have helped steer our policy work, input into campaign creative, and contribute to Turn2us research. Members of the committee have helped shape our new values, review and develop the brand and co-design the new Benefits Calculator. Through ongoing public relations we will continue to place people with lived experience at the forefront of the discourse around poverty and to amplify their voices on the issues that matter to them.

## OBJECTIVE 5:

**Invest in our culture, systems, knowledge and skills**

- Following an extensive evaluation of our existing values with our staff team and co-production partners, we have established a new set of values for the charity. Led by a pro-bono specialist, this work was fully co-designed and has resulted in a set of four new values that better reflect the charity's purpose and the way in which our people and our service users want to work. They are 'Financial Security for All', 'Together We Succeed', 'Listen, Learn, Improve' and 'Impatient'. Our leadership team, with support from our Human Resources and Communication leads, will continue to work together to embed our new values throughout the charity and its work.
- We have improved our safeguarding governance and created a new safeguarding policy and reporting processes. Following this we delivered training to all staff at Turn2us and supported our new Helpline provider to adopt these processes. We will continue to develop our safeguarding culture and focus on ensuring a lens of social justice in programmatic risk management and partnership development with the aim of people being kept safe from harm.
- We reviewed our recruitment policy and revised it to emphasise our principles around diversity and co-production. It includes a more rigorous process to support recruitment and induction in order to ensure it is consistently applied across Turn2us. To support this work, we purchased new software (Applied) that allows 'blind' recruitment for all open positions; prevents unconscious bias within hiring teams and builds more diverse applicant slates. We will monitor diversity of applicants and identify more websites to advertise on to continue to build diversity. In addition, and in close conjunction with our equity, diversity and inclusion committee, we will review our approach to all intersections of inequality - race, gender, class, age and disability - to ensure Turn2us is a good and safe place to work.
- 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 in the previous year, the Trustees agreed to significant investment in finance software that will improve recording and reporting key information to Trustees, staff and stakeholders. This was rolled out at the end of the 20/21 financial year.

## OBJECTIVE 6:

**Maximise our assets and secure income ethically to achieve impact**

Securing funding for key programmes has been an integral part of our strategy this year. We established our first multi-year partnership with Royal London, with a joint focus on life events.

This flagship relationship represents an exciting opportunity for us to move beyond traditional fundraising partnerships and offers mutual benefit to both parties. Our relationship with Royal London generated increased strategic funding to deepen the reach and impact of our work, supporting those facing life shocks, with a specific focus on increasing capacity within our Helpline. In addition to this, and through awareness generated by our Covid Appeal, we obtained additional funding from Barclays, Direct Line, Oakley Advisory, and over 25 individual major donors. This helped to bolster our crisis response to the pandemic. We were also pleased to secure a locally based partnership with TSB Bank. Our work in this area raised a significant £893,000 – a 677% increase on our original target. We will continue to build on our work with current partners, as well as identifying and securing new business from other suitable sectors. As we move forward, we will be seeking funders to support us to reach more people, while ensuring we can deliver targeted work aimed at communities with the greatest need or deprivation.

In addition, we will look to secure funds from partners that will enable us to better tailor our services to specific groups of people and to support our local programme work, digital tools, grant funds and volunteering.

**"Our relationship with Royal London generated increased strategic funding to deepen the reach and impact of our work"**

# FINANCIAL REVIEW

## FUNDRAISING PERFORMANCE AND COMPLIANCE

Turn2us is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice. We employ a central team of professional fundraisers and commission 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.

For the 12 months to 31 March 2021, we received no complaints in relation to our fundraising activities. Via written policies and training, our staff received guidance regarding Data Protection (including GDPR) and regarding communications with vulnerable members of the public.

Our income for the year was nearly flat, with a 3% decrease (2021: £34.9m; 2020: £35.8m). 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.



**For the 12 months to 31 March 2021, we received no complaints in relation to our fundraising activities.**

**Supporter income:** We would particularly like to thank our generous supporters for donations and legacies this year, with over £4.6m raised. This is a 2% increase on the previous year. A large source of income was through a fundraising appeal in partnership with The Telegraph aimed at supporting people financially impacted by Covid-19.

**Care home income:** Elizabeth Finn Homes Limited (EFHL), a subsidiary of Turn2us, operates nine 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 2020/21, EFHL contributed £4.1m (2020: £5.1m) in both covenanted surplus and rent to Turn2us. The decline was due to the impacts of COVID-19 on the care home industry. The contribution figure is stated after investing £327k (2020: £391k) in our ongoing programme of maintaining the facilities to ensure excellent care.

**Investment income:** The Trustees have given our investment managers discretionary mandates, based on equity growth benchmarks. Investment income for the year totalled just over £900k. Investment valuation increased by £17.6m at year end. The sharp increase was largely due to the recovery of world markets after the Covid-19 recession in spring 2020.

## INVESTMENT POLICY

Our charity revised its investment policy in 2019. This 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.

Our 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%' 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 £56.8m funds held by Investment Managers (2020: £43.0m), the combined investment performance for both investment managers for this year was +35%, ahead of the composite 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.



## EXPENDITURE

Total expenditure was a small increase on the previous year of about 3% (2021: £35.0m; 2020: £33.9m). Spend on charitable activity has gone up 10% (2021: £8.8m; 2020: £8.0m) with a large increase in grant making targeted at those financially impacted by the pandemic. Care home costs have increased 1%, and core running costs declined by 24%.

## 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 quickly to the front line of our work.

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 six 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 2021, total funds were £69.7m, an increase of 34% from the previous year (2020: £52.2m). 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 2021, the charity held free reserves of £32.5m, which represents about 11 months of the group's annual expenditure. The Trustees are confident that the reserves level is sufficient for current and proposed levels of activity.

## RISK REVIEW

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.

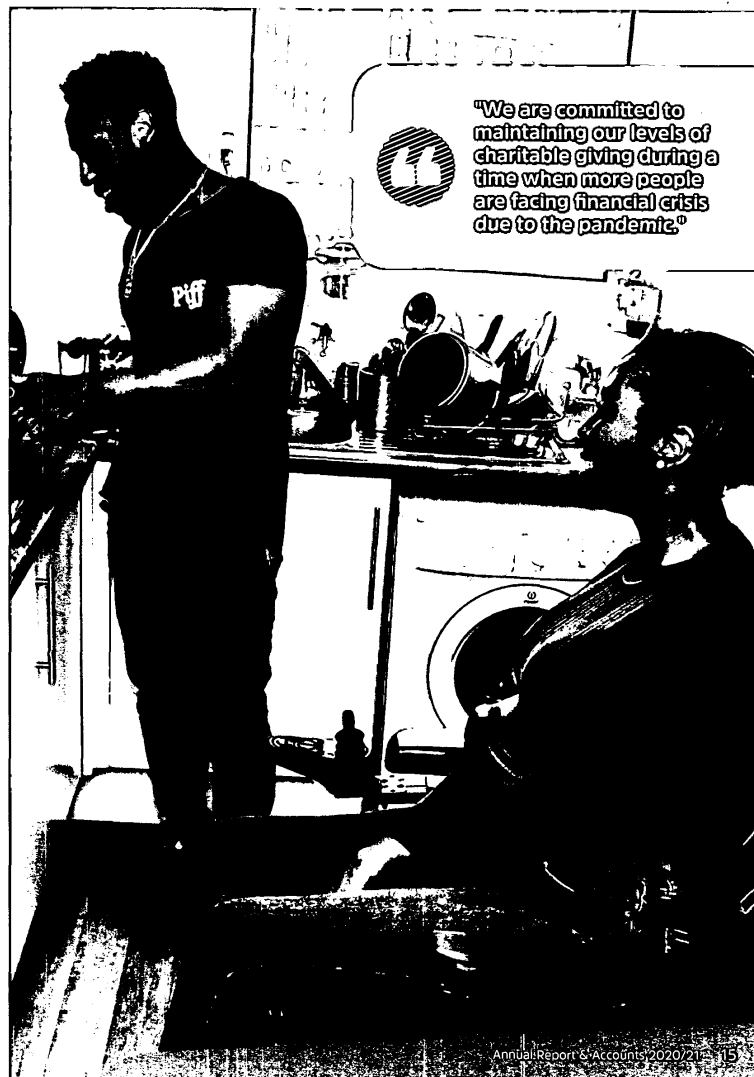
For the care home subsidiary the main risk is the quality of the personal care provided in the care homes and the impact of Covid-19 on occupancy levels. Risks have been categorised both by the likelihood of their occurrence and by their potential impact on the charity and group. Trustees review the 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 Turn2us Audit, Risk & Governance Committee of the Board of Trustees regularly (twice a year) reviews the identification and mitigation of both new and existing risks.

The Covid-19 pandemic brings significant risk to our care homes, most importantly in regard to the health of our residents and staff, but also in potentially reducing the financial surplus that helps fund the charity. Negative impact on charitable fundraising is also possible; while many potential beneficiaries of Turn2us also face economic uncertainty. We are, however, well placed to assist during this time of heightened financial need. 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.



"In drawing up the reserves policy, Trustees are mindful of the need to balance financial prudence with the importance of getting money quickly to the front line of our work."





## ELIZABETH FINN HOMES

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

During this financial year, we transferred the management of the only property we didn't own (Oak Hall) to another operator, with the full agreement of the owners of that property.

While the financial performance of our remaining care homes for 2019-20 was largely unaffected by Covid-19, the impact of Covid-19 on care home admissions and on staff costs since March 2020 has had a financial bearing on EFHL, and has impacted on the financial contribution EFHL has been able to pass on to Turn2us. This contribution has been much reduced in 2020-21 and at £3.8m is down by approximately £1m from the initial forecast.

The incredible dedication of all staff during the pandemic, for which the Directors of EFHL and the charity's 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. This is in addition to ensuring that we maintained the highest levels of Covid-19 security to keep both our staff and our residents as safe as we possibly could.

Over the last financial year, EFHL provided care to an average of 387 residents (431 in 2019/20) in the homes owned by Turn2us. This represents an average of 79% occupancy across the year (88% in 2019/20).

At the beginning of the year we could not have predicted the challenges our teams were going to face. We developed a business continuity plan which we put into place early in March 2020. EFHL's focus on the provision of safe, quality care has continued through the year. All homes were inspected against the Care Quality Commission infection control standards and all passed without criticism.

All homes developed special visiting areas where once testing and the government guidance allowed visiting has been taking place.

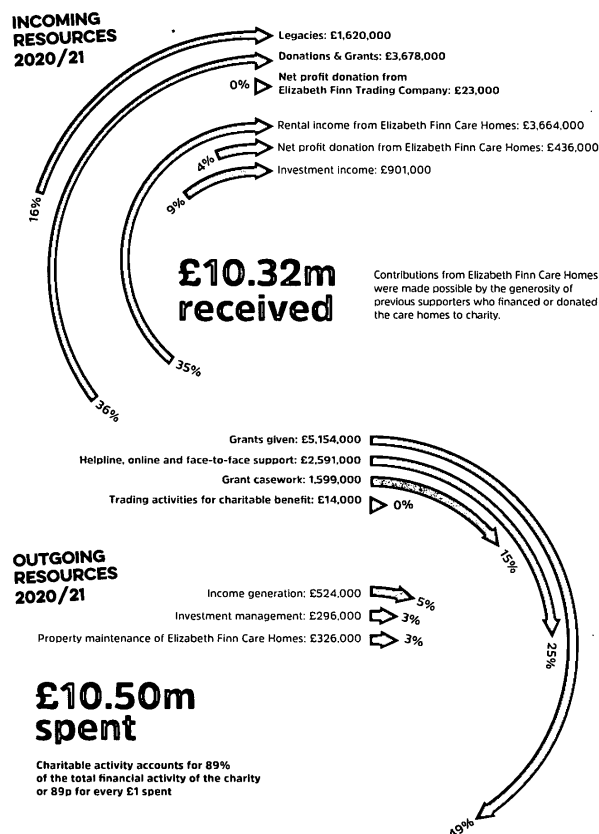
We invested in technology to enable families to video call their loved ones, and developed bubbles of residents where small groups could interact within the homes, maintaining social distance of course. We produced weekly newsletters that were sent out to families to keep them aware of latest developments. Across the network of homes, we added an additional home to our portfolio of outstanding homes. Shortly after this, one was re-inspected and moved to a good rating; we still have three (33%) which have achieved an 'Outstanding' rating with the Care Quality Commission which 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.

Some homes have, inevitably, had Covid-19 outbreaks; where this has happened staff ensured that infection rates were kept low and established extra measures to keep cross infection to a minimum. All homes have had a continuous supply of PPE, and full Covid testing as soon as it was available, which has resulted in fewer people passing away in 2020/21 than for the same period in the previous year. To date we have vaccinated 100% of our resident population, with over 80% of our staff also vaccinated.

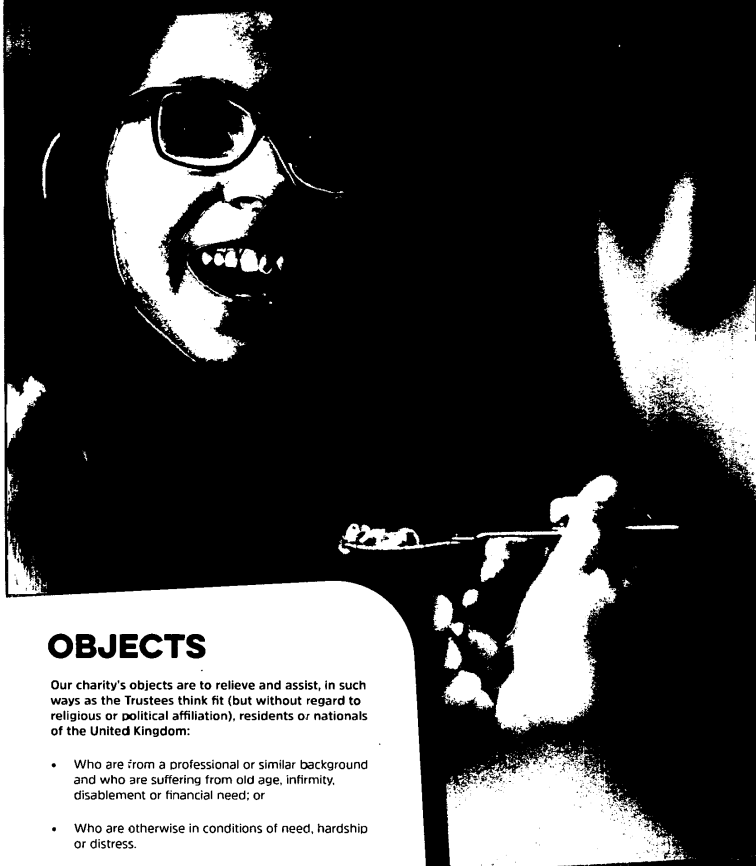


## FINANCIAL ACTIVITIES OF THE CHARITY

(see note 14b in the Financial Statements)



# TRUSTEES' REPORT



## OBJECTS

Our 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:

- 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.

Our 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

Two new Trustees joined the Board in December 2020: Edwina Johnston and Kaim Paul-Christian FRSA.

- Edwina Johnston retired from Choice Care in August 2020 where she was CEO from 2009 and prior to that Financial Director from 2002. Before this, Edwina was Finance Director at another business having previously qualified as an ACA with Price Waterhouse. As well as extensive leadership experience, Edwina brings over 10 years of specialist safeguarding knowledge to her role as trustee. She has also joined the Board of Elizabeth Finn Homes.
- Kaim Paul-Christian FRSA is an investment banker working in the Financial Institutions Advisory Team at NatWest Markets. He began his career with Rothschild & Co before joining The Social Investment Consultancy where he advised charities, social enterprises and investment funds. Kaim is a graduate of the University of Oxford, Fellow of the Royal Society of the Arts and a member of the Worshipful Company of International Bankers. He also brings with him personal experience and insight into financial hardship as a child growing up in a low income family in the UK.



## One new Trustee joined the Board in June 2021:

Natasha Otero-Nevitt joined the board in June 2021 and has a career history in school leadership and school improvement, having worked as part of senior management in schools and as a Specialist Leader of Education. After helping parents access special educational needs support, Natasha started volunteering for legal charities, something which she enjoys immensely and continues to do. From this pro bono legal experience of casework and advocacy, Natasha won scholarships and awards to undertake the Graduate Diploma in Law. She subsequently won further scholarships to study for the Bar, which she has just completed, and which confirmed her passion for equality and access to justice. Natasha had experience of working with Turn2us in co-production before becoming a trustee.

## We had one trustee retire during this financial year:

Christine Lenihan retired as Trustee on 30 June 2020. We are grateful to Christine for all of her tireless support and dedication to the charity during her time on the Board and wish her every success for her future endeavours.

## 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', Turn2us has the primary aim of assisting people who live in poverty and all of its resources are focused on achieving its purpose to reach people facing a financial shock in the event of a life-changing event. House of Commons' Library statistics estimate that there are 14.5 million people living in poverty in the UK. It is the charity's goal 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.

## TRUSTEES' REVIEW

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.

We have continued with the implementation of our three-year strategy, which was approved in 2019 after significant consultation and input from beneficiaries, staff members and other key stakeholders. Subsequently, this year's budget was approved by the Board following a comprehensive review of our priorities and risks to our operation.

The year has included a national crisis in the form of the Covid-19 pandemic. The heaviest economic burden of this has fallen on members of our society who were already facing the greatest barriers to earning a living and making ends meet. The longer the pandemic continues, the greater those structural inequalities will become. Given this evidence, we have addressed how we continue to promote our success and achieve our charitable purpose.

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 regular evaluation of our programmes and data insight, makes the development of all of our work – policy influencing, fundraising, communications as well as 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.



**"The longer the pandemic continues, the greater those structural inequalities will become."**

## EXTERNAL STAKEHOLDERS

Over the course of last year we worked closely alongside, and in collaboration with, a range of organisations, including Shelter, Hopscotch Women's Centre and Fair Money Advice, to deliver high quality and practical programmes that support individuals to build financial security and to thrive.

Our new approach to partnerships centres on sharing knowledge, experience, and insight. This enables us to deliver impactful and holistic support, as well as drive organisational accountability and learning. We also work in co-production with experts by experience and have worked with over 60 co-production partners on 117 events within 29 different projects in this financial year.

Our campaigning work, backed by robust research, data and insight, gained important traction in 2020, with a particular focus on working as part of a sector wide coalition to introduce vital safeguards and financial support to people most detrimentally impacted by the Covid-19 pandemic. Our work in this area has helped us to build important relationships with government officials and policymakers. This includes the Minister for Welfare Delivery, Will Quince; the Department for Work and Pensions' Change Director, Neil Couling and Member of the Work and Pensions Select Committee, Debbie Abrahams. We continue to work with a wide range of partners and lived experts to create and promote solutions that meet their needs. We also continued to work as part of a coalition with End Child Poverty (ECP) to raise vital awareness of the indefensible numbers of children living in poverty.

The Board has continued its interaction with our regulators: ensuring we fulfil our legal obligations and 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 work with, with a particular focus on both sector intermediaries and co-production partners.

Following the establishment of our Safeguarding Committee in the previous financial year, the charity gained good momentum in moving forward safeguarding best practice as the underpinning foundations for how we work with others.

## GRANT MAKING POLICY

Turn2us Grant Programmes provide 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: April 2020 - March 2021	Current reporting year (2020-2021) UK & offshore	Previous reporting year (2019-2020) UK & offshore (restated)
Total energy consumption used to calculate emissions in kWh	10,491,452	10,675,862
Emissions from combustion of greenhouse gas (Scope 1) - includes natural gas and LPG	1,502.8	1,367.1
Emissions from other activities which the company own or control including operation of facilities (Scope 1) - gas oil used for heating	202.5	167.3
Emissions from the combustion of fuel used in company owned vehicles (Scope 1)	8.4	36.5
Emissions from purchased electricity (Scope 2, location-based)	560.4	619.1
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	39.5	78.8
Total gross tCO <sub>2</sub> e based on above	2,313.7	2,268.7
Intensity ratio: gross tCO <sub>2</sub> e / FTE	3.27	3.25

### 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 we are 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 2020. Any estimates included in our totals are derived from actual data. We have restated last year's data, as our emissions from LPG had been calculated incorrectly. This error did not affect our energy use calculations.

### ENERGY EFFICIENCY ACTIONS

Due to the impacts of the Covid-19 pandemic, no energy efficiency actions were implemented in the reporting year.

## CHARITABLE ACTIVITY IN SCOTLAND

Overall, Turn2us supported 955 (2020: 920) people in Scotland with grants totalling £727k in 2021 (2020: £463k).

We operate a grant making programme in Scotland called the Edinburgh Trust. It 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 Turn2us 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 pooled together under the Edinburgh Trust. 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 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 750 beneficiaries were supported in 2021 through the Edinburgh Trust (2020: 798) with grants totalling £513k (2020: £384k).

We have a dedicated office in Edinburgh with two caseworkers and a manager.

## VOLUNTEERS

We are 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 2020/2021, we have had the support of 221 registered volunteers. Whilst the majority of these volunteers have been inactive due to the pandemic, 40 plus volunteers have been continuing to contact some of our long-term grant recipients by phone. In the coming months we will be developing our volunteer programme, working in partnership with local community organisations to utilise our existing volunteer support most effectively on a local level.

We will be supporting volunteers already active within their local communities to use our tools and resources more effectively, with the aim of developing a network of local volunteers supported by both Turn2us and local organisations. We will also be developing a new Volunteer Strategy to grow 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.



## STAFF

We have a paid workforce of 689 full-time equivalent staff (2020:698) based across the UK. Of this workforce, 608 (2020:642) 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. Where this has not been possible to do in person, we have replicated with virtual workshop sessions and meetings.

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.

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

During the course of the year, the whole Turn2us staff team has been working remotely. Our executive leadership team has continued to keep an 'open door' policy for staff at all times and has ensured regular communications through a daily update and monthly all staff meeting, which has continued throughout the duration of the pandemic.

We have continued to improve the coordination of training, with a number of key training sessions for staff, and trustees that included management, safeguarding, and equity, diversity and inclusion (EDI).

In May 2020 we undertook a wellbeing survey to check in on our newly remote working staff. From this we provided resources to support staff in working from home in terms of office infrastructure and IT. In February and March 2021, we undertook a wellbeing survey in order to understand their levels of wellbeing, with additional plans to support this being rolled out later this year.

Turn2us is fully committed to improving diversity among our trustees, employees, and within all aspects of our work and to create an inclusive working environment. Our EDI committee has updated the charity's EDI policy which emphasises our principles around diversity and co-production. We recognise that working with staff, Trustees and volunteers, who all come from different backgrounds, brings new ideas and innovative approaches to the way we work and 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.



**"Our executive leadership team has continued to keep an 'open door' policy for staff at all times and has ensured regular communications through a daily update and monthly all staff meeting, which has continued throughout the duration of the pandemic."**

## BOARD OF TRUSTEES

The charity's Trustees, and those who served as a trustee in the financial year ended 31 March 2021 and up to the approval date of the financial statements, were as follows:

- Sally O'Sullivan (Chair)
- Richard Midmer\* (Deputy Chair)
- Richard Carter\* (retired on the 30 June 2021)
- Helen Chambers
- Dr Olivia Curno
- Henry Elphick (retired on the 30 June 2021)
- Steven Hunter\*
- Edwina Johnston\* (joined on the 16 December 2020)
- Christine Lenihan (retired on the 30 June 2020)
- Thomas Morgan
- Natasha Otero-Nevitt (joined on the 16 June 2021)
- Kaim Paul-Christian (joined on the 16 December 2020)
- Lord John Sharkey
- Joanne Wickremasinghe

\* Members of the Audit, Risk & Governance Committee

The key management personnel (as defined by FR5102) are the Trustees and the executive leadership of the charity. The executive leadership 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 Programmes and Partnerships: Sonya Ruparel
- Director of Impact and Innovation: Joanna Kerr
- Director of Income and External Affairs: Jamie Grier (left in March 2021)  
Andrew Gould (interim March – July 2021)  
Sadiya Shaikh (joined June 2021)
- Director of Finance and Resources: Thomas Mathew

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 our website.

## BANKERS AND PRINCIPAL ADVISERS

<b>Auditor:</b> Sayer Vincent, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL	<b>Bankers:</b> Lloyds Bank Plc, 179 Earls Court Road, London, SW5 9RE
<b>Solicitors:</b> Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH	<b>Investment Managers:</b> Smith & Williamson Investment Management Limited, 25 Moorgate, London, EC2R 6AY McInroy & Wood, Easter Alderston, Haddington, East Lothian EH41 3SF
<b>Registered Office:</b> 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	<b>Companies House Registration numbers:</b> Elizabeth Finn Care, (working name Turn2us): 515297 Elizabeth Finn Homes Limited: 5225008 Elizabeth Finn Trading Limited: 3499586 Turn2us (Dormant Company): 06136422 Turntus Ltd (Dormant Company): 06136521

## 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 Statement of Recommended Practice
- 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- 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.

The Trustees' Annual Report, which includes the strategic report, has been approved by the Trustees on 21 September 2021 and signed on their behalf by:



Name: Sally O'Sullivan

Title: Chair of Trustees

Date: 21/09/2021

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

### OPINION

We have audited the financial statements of Elizabeth Finn Care (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Elizabeth Finn Care's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### OTHER INFORMATION

The other information comprises the information included in the Trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, are set out below.

## CAPABILITY OF THE AUDIT IN DETECTING IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit, risk and governance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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)

Date: 14 October 2021

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

Elizabeth Finn Care, trading as Turn2us

31 March 2021

### Consolidated Statement of Financial Activities (incorporating income and expenditure account) Year to 31 March 2021

	Notes	Unrestricted Funds 2021	Restricted Funds 2021	Endowment Funds 2021	Total Funds 2021	Total Funds 2020
		£'000	£'000	£'000	£'000	£'000
<b>INCOME AND ENDOWMENTS</b>						
Donations and legacies:						
Donations	3	729	2,300	-	3,029	939
Legacies	3	1,620	-	-	1,620	3,639
Charitable activities:						
Grants		-	649	-	649	237
Trading activities for charitable benefit		58	-	-	58	63
Other trading activities:						
Residential and nursing care income		27,599	1,009	-	28,608	29,879
Investment Income:	4	486	415	-	901	1,061
<b>Total income and endowments</b>		<b>30,492</b>	<b>4,373</b>	<b>-</b>	<b>34,865</b>	<b>35,818</b>
<b>EXPENDITURE</b>						
Expenditure on raising funds:						
Income generation	5a	524	-	-	524	473
Residential and nursing care expenditure	5a	24,369	1,009	-	25,378	25,120
Investment management costs	5a	220	68	7	295	260
<b>Total Cost of Raising Funds</b>		<b>25,113</b>	<b>1,077</b>	<b>7</b>	<b>26,197</b>	<b>25,853</b>
<b>Net income available for charitable activities</b>		<b>5,379</b>	<b>3,296</b>	<b>(7)</b>	<b>8,668</b>	<b>9,965</b>
Expenditure on Charitable activities:						
Support & Information Services	5a	2,117	474	-	2,591	2,661
Assistance given to those in need	5a	2,498	2,114	-	4,612	3,595
Casework	5a	1,071	528	-	1,599	1,672
Trading activities for charitable benefit	5a	48	-	-	48	95
Expenditure in furtherance of charitable objectives		5,734	3,116	-	8,850	8,023
<b>Total expenditure</b>		<b>30,847</b>	<b>4,193</b>	<b>7</b>	<b>35,047</b>	<b>33,876</b>
<b>Net (expenditure)/ income before investments</b>		<b>(355)</b>	<b>180</b>	<b>(7)</b>	<b>(182)</b>	<b>1,942</b>
Net gains/(losses) on Investments						
Net realised gains/(losses) on investments	8	35	(246)	3	(208)	344
Net unrealised gains/(losses) on investments	8	10,606	6,549	608	17,763	(6,649)
<b>Total net gain/(losses) on investments</b>		<b>10,641</b>	<b>6,303</b>	<b>611</b>	<b>17,555</b>	<b>(6,305)</b>
<b>Net Income/(expenditure) for the year before transfers</b>		<b>10,286</b>	<b>6,483</b>	<b>604</b>	<b>17,373</b>	<b>(4,363)</b>
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension scheme	17	146	-	-	146	423
<b>Net movement in funds</b>		<b>10,432</b>	<b>6,483</b>	<b>604</b>	<b>17,519</b>	<b>(3,940)</b>
Reconciliation of funds:						
Funds Brought Forward	12	30,865	19,608	1,737	52,210	56,150
<b>Total funds carried forward at 31 March 2021</b>		<b>41,297</b>	<b>26,091</b>	<b>2,341</b>	<b>69,729</b>	<b>52,210</b>

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



**Comparative Consolidated Statement of Financial Activities (incorporating income and expenditure account)**  
Year to 31 March 2020

	Notes	Unrestricted Funds 2020 £'000	Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Total Funds 2020 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies:					
Donations	3	567	372	-	939
Legacies	3	3,639	-	-	3,639
Charitable activities:					
Grants		-	237	-	237
Trading activities for charitable benefit		63	-	-	63
Other trading activities:					
Residential and nursing care income		29,879	-	-	29,879
Investment income:	4	555	506	-	1,061
<b>Total income and endowments</b>		<b>34,703</b>	<b>1,115</b>		<b>35,818</b>
<b>EXPENDITURE</b>					
Expenditure on raising funds:					
Income generation	5a	473	-	-	473
Residential and nursing care expenditure	5a	25,120	-	-	25,120
Investment management costs	5a	199	54	7	260
<b>Total Cost of Raising Funds</b>		<b>25,792</b>	<b>54</b>	<b>7</b>	<b>25,853</b>
Net income available for charitable activities		<b>8,911</b>	<b>1,061</b>	<b>(7)</b>	<b>9,965</b>
Expenditure on Charitable activities:					
Support & Information Services (benefit calculator, grant search etc)	5a	2,529	132	-	2,661
Assistance given to those in need (grants and allowances)	5a	3,021	574	-	3,595
Casework	5a	1,516	156	-	1,672
Trading activities for charitable benefit	5a	95	-	-	95
Expenditure in furtherance of charitable objectives		<b>7,161</b>	<b>862</b>		<b>8,023</b>
<b>Total expenditure</b>		<b>32,953</b>	<b>916</b>	<b>7</b>	<b>33,876</b>
Net income/(expenditure) before investments		<b>1,750</b>	<b>199</b>	<b>(7)</b>	<b>1,942</b>
Net gains/(losses) on investments					
Net realised gains/(losses) on investments		226	100	18	344
Net unrealised gains/(losses) on investments		(3,593)	(2,724)	(332)	(6,649)
<b>Total net gains/(losses) on investments</b>		<b>(3,367)</b>	<b>(2,624)</b>	<b>(314)</b>	<b>(6,305)</b>
Net income/(expenditure) before transfers		<b>(1,617)</b>	<b>(2,425)</b>	<b>(321)</b>	<b>(4,363)</b>
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension scheme	17	423	-	-	423
Net movement in funds		<b>(1,194)</b>	<b>(2,425)</b>	<b>(321)</b>	<b>(3,940)</b>
Reconciliation of funds:					
Funds Brought Forward Restated	12	32,059	22,033	2,058	56,150
<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>

**Group and Charity Balance Sheets as at 31 March 2021**

		GROUP		CHARITY	
Notes		2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>					
Tangible assets	7	8,435	8,592	8,435	8,592
Investments	8	61,898	44,572	61,898	44,572
<b>Total fixed assets</b>		<b>70,333</b>	<b>53,164</b>	<b>70,333</b>	<b>53,164</b>
<b>CURRENT ASSETS</b>					
Debtors	9	761	1,419	188	466
Cash at Bank and in hand	10	1,740	574	429	222
<b>Total current assets</b>		<b>2,501</b>	<b>1,993</b>	<b>617</b>	<b>688</b>
<b>LIABILITIES</b>					
Amounts falling due within one year	11	(3,484)	(3,180)	(1,600)	(1,875)
<b>Net current liabilities</b>		<b>(983)</b>	<b>(1,187)</b>	<b>(983)</b>	<b>(1,187)</b>
<b>Total assets less current liabilities</b>		<b>69,350</b>	<b>51,977</b>	<b>69,350</b>	<b>51,977</b>
<b>Provisions for liabilities:</b>					
Defined benefit pension scheme asset	17	379	233	379	233
<b>Net assets</b>		<b>69,729</b>	<b>52,210</b>	<b>69,729</b>	<b>52,210</b>
<b>THE FUNDS OF THE CHARITY:</b>					
Permanent Endowment	12	2,341	1,737	2,341	1,737
Restricted	12	26,091	19,608	26,091	19,608
Designated	12	8,433	8,592	8,433	8,592
Unrestricted Reserves	12	32,864	22,273	32,864	22,273
<b>Total charity funds</b>		<b>69,729</b>	<b>52,210</b>	<b>69,729</b>	<b>52,210</b>

The accompanying notes are an integral part of these balance sheets.

Approved by the Board of Trustees on 21st September 2021 and signed on their behalf by:

*Sally O'Sullivan*

Sally O'Sullivan,  
Chair of the Board of Trustees

Company Number: 00515297  
Charity No: England and Wales No: 207812; and Scotland: SC04098

**Consolidated Cash Flow Statement**

For the year ended 31 March 2021

	2021	2020
	£'000	£'000
<b>a) RECONCILIATION OF NET INCOMING RESOURCES FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Net income/ (expenditure) for the year before transfers	17,519	(3,940)
Dividend, interest and rental income shown in Investing activities	(901)	(1,061)
Depreciation charge	139	187
Losses on disposal of fixed asset	19	13
(Gains)/ losses on investments	(17,555)	6,305
Decrease/ (increase) in debtors	657	(90)
Increase/ (decrease) in creditors	304	(180)
Increase in pension asset	(146)	(423)
<b>Net cash provided by operating activities</b>	<b>36</b>	<b>811</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Dividends	870	978
Interest	-	55
Rental income	31	28
	901	1,061
Purchase of fixed assets	-	(13)
Purchase of investment securities	(12,331)	(8,770)
Receipts from sale of investment securities	12,806	5,206
Proceeds from sale of tangible fixed assets	-	3
(Increase)/ decrease in short-term deposits held by investment managers	(246)	975
<b>Net cash provided by/(used in) Investing activities</b>	<b>1,330</b>	<b>(1,538)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>1,166</b>	<b>(727)</b>
Cash and cash equivalents brought forward	574	1,301
<b>Cash and cash equivalents carried forward</b>	<b>1,740</b>	<b>574</b>

**Notes forming part of the financial statement****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 25. 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.

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.

**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.

**b) Group Accounts**

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

**c) 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 statement (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.

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

## c) Investment Income

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

## e) Fixed Assets

Depreciation is provided as follows:

- i) Freehold buildings - 2% on a reducing balance basis
- ii) Motor vehicles - 25% on a reducing balance basis
- iii) Furniture and equipment - 12.5% on a reducing balance basis
- iv) 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.

h) Foreign currency balances have been translated at the rate current at 31 March 2021.

## i) Fund accounting

**Permanent Endowment Funds** - these represent funds permanently held in trust for the charity. For further details on endowment funds see Note 12 to the accounts.

## Notes forming part of the financial statement (Continued)

**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 made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

## k) Operating Leases

Rents paid under operating leases are charged to the SOFAs equally over the lease term. Any rent concessions are spread equally across the term of the lease.

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

## Notes forming part of the financial statement (Continued)

## Accounting Policies (Continued)

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 statement (Continued)

## 3 Donations and legacies

	2021 Unrestricted Funds £'000	2021 Restricted Funds £'000	2021 Total £'000	2020 Unrestricted Funds £'000	2020 Restricted Funds £'000	2020 Total £'000
<b>DONATIONS</b>						
Donations	722	2,300	3,022	559	369	928
County treasurers	7	-	7	8	3	11
	<u>729</u>	<u>2,300</u>	<u>3,029</u>	<u>567</u>	<u>372</u>	<u>939</u>
<b>LEGACIES</b>						
	1,620	-	1,620	3,639	-	3,639
	<u>2,349</u>	<u>2,300</u>	<u>4,649</u>	<u>4,206</u>	<u>372</u>	<u>4,578</u>

In 2021 £nil donations or legacies received were endowments (2020: £nil).

The Charity has received notification of 5 legacies with estimated future distributions of £115,972 (2020: £759,500), which have not been recognised as income as at 31 March 2021. They will be recognised when appropriate in future periods.

## 4 Investment Income

	2021 Unrestricted Funds £'000	2021 Restricted Funds £'000	2021 Total £'000	2020 Unrestricted Funds £'000	2020 Restricted Funds £'000	2020 Total £'000
Property rent and services	31	-	31	28	-	28
Dividends	455	415	870	473	505	978
Interest on bonds and short term deposits	-	-	-	54	1	55
	<u>486</u>	<u>415</u>	<u>901</u>	<u>555</u>	<u>506</u>	<u>1,061</u>

## Notes forming part of the financial statement (Continued)

## 5a Expenditure (year ended 31 March 2021)

ACTIVITIES	CENTRAL SUPPORT COSTS								DIRECT COSTS		ALL COSTS TOTAL	
	CEO Office	Finance	Human Resources	IT	Property Services	Administration	Governance	Total			2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income generation	26	23	21	16	44	2	5	137	387	524	473	
Care home maintenance*	-	-	-	-	-	-	-	-	327	327	391	
Care home expenditure*	-	-	-	-	-	-	-	-	25,051	25,051	24,729	
Investment management	-	62	-	-	-	-	5	67	228	295	260	
Support & information services	107	63	87	66	178	6	18	525	2,066	2,591	2,661	
Grants & allowances	-	-	-	-	-	-	-	-	4,612	4,612	3,595	
Casework	102	56	82	63	169	6	17	495	1,104	1,599	1,672	
Trading activities for charitable benefit	3	2	2	2	4	-	4	17	31	48	95	
Total	238	206	192	147	395	14	49	1,241	33,806	35,047	33,676	

In 2020/21 we awarded 5,586 grants. In 2019/20 we awarded 2,766 grants.

## NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging

	2021	2020
	£	£
Depreciation	139,587	186,704
Loss on disposal of fixed assets	-	12,922
Operating lease rentals payable		
- Property	302,460	233,000
- Other	69,624	29,000
Auditors remuneration - audit of charity	15,500	15,250
Auditors remuneration - audit of subsidiaries	15,800	15,500
Auditors remuneration - defined benefit pension scheme audit	3,500	3,500
Auditors remuneration - tax advice & tax returns	3,350	3,250
Auditors remuneration - Audit, Risk & Governance Committee	3,900	3,750

\* These 2 items make up the Self-funding residential and nursing care heading for expenditure on the SOFA.

## Notes forming part of the financial statement (Continued)

## 5b Prior Year's Comparative for Expenditure (year ended 31 March 2020)

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

\* These 2 items make up the Self-funding residential and nursing care heading for expenditure on the SOFA.

## Notes forming part of the financial statement (Continued)

## 6 Trustees and Staff

Aggregate staff costs are made up as follows:

	2021 £'000	2020 £'000
Wages and salaries	18,979	17,308
Agency staff	596	716
Social security costs	1,546	1,407
Employer's contribution to defined contribution schemes	863	878
Other staff related costs	131	104
Redundancies and Terminations	7	61
	22,122	20,474
Operating costs of closed defined benefit scheme	(5)	14
	22,117	20,488

The average number of employees, both full and part time, during the year was 798 (2020: 789), representing full time equivalents of 722 (2020: 698)

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

	2021 Full-time	2021 Part-time	2020 Full-time	2020 Part-time
In the Homes	374	280	339	295
At Headquarters:				
Homes Department	8	-	8	-
Operations	25	8	24	5
Fundraising	5	1	6	-
Finance	3	1	4	1
IT	2	-	2	-
Human Resources	6	1	5	1
Chief Executive's Department and Communications	8	-	7	1
	431	291	395	303

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

	2021	2020
£60,001 to £70,000	12	3
£70,001 to £80,000	3	3
£80,001 to £90,000	2	3
£90,001 to £100,000	-	1
£100,001 to £110,000	1	1
£130,001 to £140,000	2	1
£140,001 to £150,000	-	1

Total pension contributions for all of the higher paid staff of Elizabeth Finn Care and Elizabeth Finn Homes Limited were £179,171 (2020: £141,796). 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 five Directors from Turn2us, (2020: three), and fifteen (2020: ten) 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 including Employer's NI and pension of the charity's key management personnel were £474,724 (2020: £477,882). Trustees are not remunerated. Refreshments and reimbursement of travel expenses for the Trustees attending meetings amounted to £nil in 2021. In 2020 three Trustees were reimbursed £2183.

## Notes forming part of the financial statement (Continued)

## 7 Tangible Fixed Assets

	FREEHOLD		Furniture and Equipment	Motor Vehicles	IT Equipment	Total
Cost	Land £'000	Buildings £'000	£'000	£'000	£'000	£'000
At 1 April 2020	1,685	10,279	35	-	204	12,203
Additions	-	-	-	-	-	-
Disposals	-	(19)	-	-	-	(19)
At 31 March 2021	1,685	10,260	35	-	204	12,184
Depreciation						
At 1 April 2020	-	3,395	16	-	199	3,610
Disposals	-	-	-	-	-	-
Charge for year	-	137	2	-	-	139
At 31 March 2021	-	3,532	18	-	199	3,749
Net Book Amount						
At 31 March 2021	1,685	6,728	17	-	5	8,435
At 31 March 2020	1,685	6,884	18	-	5	8,592

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

## Notes forming part of the financial statement (Continued)

## 8 Fixed Assets - Investments

	Cash for Investment	Listed Investments	Property	Group Total	Charity's shares in subsidiaries	Charity Total
	£'000	£'000	£'000	£'000	£'000	£'000
Market value:						
At 1 April 2020	982	42,024	1,566	44,572	-	44,572
Additions at cost	-	12,122	209	12,331	-	12,331
Proceeds from disposals	-	(12,806)	-	(12,806)	-	(12,806)
Movement in cash	246	-	-	246	-	246
Net realised gains / (losses)	-	(208)	-	(208)	-	(208)
Net unrealised gains / (losses)	-	14,451	3,312	17,763	-	17,763
At 31 March 2021	1,228	55,583	5,087	61,898	-	61,898
Listed Investments at market value comprised:		2021 £'000	2020 £'000			
UK Listed equities		15,104	13,504			
UK Fixed Interest Investments		1,396	1,836			
UK funds		8,197	583			
Unlisted Investments		28	23			
Overseas funds		21,521	14,434			
Listed or regulated overseas		9,337	11,664			
		55,583	42,024			

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

The fair value of investment land and 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 land and property being valued.

The valuations of investment properties have been undertaken on the basis of existing use values and where appropriate, allowance has been made for increases in value due to town planning Local Plan allocations. The valuations are not Red Book compliant but represent assessments of current market value. 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 statement (Continued)

## 9 Debtors

	GROUP		CHARITY	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amount due from subsidiaries	-	-	109	44
Trade debtors	580	856	-	15
Other debtors	1	8	1	8
Prepayments and accrued income	180	555	78	399
	761	1,419	188	466

## 10 Cash at Bank

	GROUP		CHARITY	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash at bank and in hand	1,740	574	429	222

## 11 Creditors: Amounts falling due within one year

	GROUP		CHARITY	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amount due to subsidiaries	-	-	879	1,475
Trade creditors	497	510	295	142
Social security and other taxes	367	353	67	70
Accruals and deferred income*	2,474	2,193	339	169
Sundry creditors	146	124	20	19
	3,484	3,180	1,600	1,875

	GROUP	
	2021 £'000	2020 £'000
*Movement in Deferred Income		
Amount brought forward	770	830
Increase in deferred income	643	770
Released in the year	(770)	(830)
Amount carried forward	643	770

## Notes forming part of the financial statement (Continued)

## 12 Analysis of Group Net Assets as at 31 March 2021 between Funds

	PERMANENT ENDOWMENT FUNDS			
	Arthur Hurst Will Trust £'000	Dresden Homes Trust £'000	Other £'000	Total £'000
<b>FIXED ASSETS</b>				
Tangible fixed assets	-	-	-	-
Investments	1,019	1,310	12	2,341
Net current assets/(liabilities)	-	-	-	-
Actuarial unrealised pension asset	-	-	-	-
<b>Net assets</b>	<b>1,019</b>	<b>1,310</b>	<b>12</b>	<b>2,341</b>
<b>FUNDS</b>				
At 1 April 2020	740	985	12	1,737
Income	-	-	-	-
Expenditure	(3)	(4)	-	(7)
Gains/(losses)	282	329	-	611
Transfers between funds	-	-	-	-
<b>At 31 March 2021</b>	<b>1,019</b>	<b>1,310</b>	<b>12</b>	<b>2,341</b>

## PERMANENT ENDOWMENTS

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

**Dresden Homes Trust (Charity No. 207812-4)**  
This charity was represented by a permanent endowment fund until 19 January 2012 when the Charity Commission consented to the charity's

resolution to release the restriction on expenditure on the permanent endowment at that date. £750,000 is held as permanent endowment to make grants for the relief of former residents of the Dresden Homes Trust.

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

## Notes forming part of the financial statement (Continued)

RESTRICTED FUNDS								DESIGNATED FUND	UNRESTRICTED RESERVES	TOTAL FUNDS
Edinburgh Trust	Covid-19 Appeal Fund	Arthur Hurst Will Trust	Dresden Homes Trust	Lloyds Support Fund	Homes' amenity funds	Other	Total			
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
-	-	-	-	-	-	-	-	8,433	-	8,433
19,516	-	98	28	5,769	-	-	25,411	-	34,147	61,899
(713)	813	(30)	215	77	221	97	680	-	(1,662)	(982)
-	-	-	-	-	-	-	-	-	379	379
18,803	813	68	243	5,846	221	97	26,091	8,433	32,864	69,729
14,284	275	71	221	4,350	256	151	19,608	8,592	22,273	52,210
323	2,248	18	21	90	8	1,664	4,372	-	30,493	34,865
(647)	(1,711)	(19)	(4)	(51)	(43)	(1,718)	(4,193)	-	(30,848)	(35,048)
4,843	-	-	5	1,456	-	-	6,304	-	10,787	17,702
-	-	-	-	-	-	-	-	(159)	159	-
18,803	812	70	243	5,845	221	97	26,091	8,433	32,864	69,725

## RESTRICTED FUNDS

**The Edinburgh Trust**  
This is a restricted fund that reflects the transfer to the Charity by the City of Edinburgh Council in July 2011 of its responsibility for 35 poverty related charities and trusts together with their £12m funds and a small 10 bed care home.

The care home was transferred to a similar organisation during 2015/16 and the proceeds added to the Edinburgh Trust restricted fund.

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

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

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

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

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



## Notes forming part of the financial statement (Continued)

## 13 Charity's shares in subsidiaries

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

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

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

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

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

## 14 Charity and subsidiary results

## a) Related Party transactions with wholly owned subsidiaries

No related party transactions were entered into during the year to 31 March 2021 with exception of those with regards to Elizabeth Finn Homes Limited and Elizabeth Finn Trading Limited, both subsidiary companies of Elizabeth Finn Care.

During the year Elizabeth Finn Care charged EFHL rent of £3,663,843 (2020: £3,663,843) for the use of its properties and office premises and recharged staff costs of £31,976 (2020: £77,563).

At 31st March 2021 EFC owed EFHL a net balance of £879,397 (2020: £1,474,795) - see note 11.

During the year Elizabeth Finn Care recharged EFTL staff costs £nil (2020: £10,191).

At 31st March 2021 EFTL owed EFC a net balance of £109,009 (2020: £43,675) which includes gift aid of £23,374 - see note 11.

## b) Financial activities of the Charity

	2021	2020
	£'000	£'000
Gross incoming resources	9,864	9,539
Elizabeth Finn Trading covenant due	23	1
Elizabeth Finn Homes Limited covenant due	436	1,487
	<u>10,323</u>	<u>11,027</u>
<b>Expenditure on raising funds:</b>		
Income generation	(524)	(473)
Landlord refurbishment/maintenance of care homes	(327)	(391)
Investment management costs	(296)	(259)
<b>Expenditure on Charitable activities:</b>		
Support & Information Services (Benefits Calculator, Grants Search, etc)	(2,591)	(2,661)
Assistance given to those in need (grants and allowances)	(5,154)	(3,596)
Casework	(1,599)	(1,672)
Trading activities for charitable benefit	(14)	(32)
	<u>(182)</u>	<u>1,943</u>
Net (expenditure)/ income		
	17,555	(6,306)
Investment gains/ (losses)	146	423
Actuarial gains on defined benefit pension scheme		
	<u>17,519</u>	<u>(3,940)</u>
Net income/ (expenditure) for the year		
	52,210	56,150
Total funds brought forward		
	<u>69,729</u>	<u>52,210</u>
Total funds carried forward		

## Notes forming part of the financial statement (Continued)

## c) Financial activities of Elizabeth Finn Homes Limited

	2021	2020
	£'000	£'000
Income	29,151	29,879
Cost of services	(28,715)	(28,392)
Net surplus	<u>436</u>	<u>1,487</u>
Covenant to charity	(436)	(1,487)
	<u>-</u>	<u>-</u>
Retained surplus	-	-
Current assets	1,401	2,729
Current liabilities	(1,401)	(2,729)
	<u>2</u>	<u>2</u>
Net assets (in £)		
	<u>2</u>	<u>2</u>
Share capital (in £)		
	<u>2</u>	<u>2</u>

## d) Elizabeth Finn Trading Limited

	2021	2020
	£'000	£'000
Turnover	58	63
Cost of sales	(31)	(58)
Gross profit	<u>27</u>	<u>5</u>
Administrative costs	(4)	(4)
Operating profit	<u>23</u>	<u>1</u>
Interest income	-	-
Profit / (loss) before and after tax	<u>23</u>	<u>1</u>
Covenant payment to Elizabeth Finn Care	(23)	(1)
Retained profit / (loss)	-	-
Loss brought forward	-	-
Total reserves carried forward	<u>-</u>	<u>-</u>
Current assets	148	95
Current liabilities	(148)	(95)
Net liabilities (in £)	<u>-</u>	<u>-</u>
Share capital (in £)	2	2
Reserves	-	-
Total Funds (in £)	<u>2</u>	<u>2</u>

## Notes forming part of the financial statement (Continued)

## 15 Operating lease commitments payable as a lessee

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	PROPERTY		EQUIPMENT	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Less than one year	362	268	75	50
One to five years	1,139	1,500	99	89
Over five years	-	-	-	-
	1,501	1,768	174	139

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	PROPERTY		EQUIPMENT	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Less than one year	362	268	1	1
One to five years	1,139	1,500	1	2
Over five years	-	-	-	-
	1,501	1,768	2	3

## 16 Volunteers

We currently have 221 registered volunteers and while the majority of these volunteers have been inactive due to the pandemic, 40 plus volunteers have been continuing to contact some of our long term grant recipients by phone where the caseworker feels this would be beneficial. In the next few months we will be developing our volunteer programme working in partnership with local community organisations to utilise our existing volunteer support most effectively on a local level. We will be supporting volunteers already active within their local communities to use our tools and resources more effectively with the aim of developing a network of local volunteers supported by both Turn2us and local organisations. We will also develop a new 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.

## 17 Defined benefit pension scheme

The charity has three pension schemes: one is the defined benefit scheme (the Scheme) which was closed to new members in 2001 and to future accrual on 31 March 2013, and the other two are active stakeholder pension schemes, which are open to employees of the Charity and its subsidiary, Elizabeth Finn Homes Limited.

As at 31 March 2018, an accrual of £14,000 had been made to finance the deficit on the defined benefit scheme, calculated as at the triennial valuation date of 30 June 2017. This amount was paid at the end of 2018, in accordance with the actuary's recommendations.

FRS102, paragraph 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 income costs of income to be included in the Charity's accounts. The SORP meets the reporting requirements. The value of the Scheme's liabilities has been determined by the Scheme's actuary by adjusting and updating the preliminary results of the 30 June 2020 scheme funding valuation.

The preliminary 30 June 2020 triennial report, which uses a different methodology from the FRS102 - Section 28 Disclosure Report required for auditing purposes, indicates a funding shortfall of £253k in the Scheme. The trustees of the Charity have agreed a recovery plan of £20k + 5% per annum for ten years to meet the shortfall, which will commence in the 2021-22 financial year.

## Notes forming part of the financial statement (Continued)

## 17 Defined benefit pension scheme (Continued)

Increases for pensions in payment:

	31 March 2021	31 March 2020
Post 31 October 2006 (RPI max. 5%)	3.10%	2.60%
Pre 31 October 2006 (RPI max. 2.5%)	2.10%	1.90%
Liability discount rate	2.10%	2.40%
Inflation assumption (RPI)	3.30%	2.60%
Consumer Price Inflation	2.80%	2.10%
Deferred pension revaluation (CPI 2.5% cap)	2.80%	2.10%
Deferred pension revaluation (CPI 5% cap)	2.50%	2.10%

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

For a male aged 65 now	21.4	21.1
At 65 for a male member aged 45 now	22.7	22.5
For a female aged 65 now	23.1	23.0
At 65 for a female member aged 45 now	24.7	24.6

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

ASSETS	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Total market value of assets	4,387	3,621

## NET DEFINED BENEFIT LIABILITY

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Total market value of assets	4,387	3,621
Value of funded obligations	(4,008)	(3,388)
Net pension (liability)/asset	379	233

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

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

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(4,008)	(3,388)	(3,550)	(3,590)	(3,910)
Plan assets	4,387	3,621	3,660	3,467	3,595
Surplus / (deficit)	379	233	(190)	(123)	(315)

## Notes forming part of the financial statement (Continued)

## 17 Defined benefit pension scheme (Continued)

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

	2021	2020
	£'000	£'000
Service cost	-	-
Net interest income	5	(4)
Past service cost	-	-
Settlements on curtailments	-	-
Total operating charge	5	(4)

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

	2021	2020
	£'000	£'000
At 1 April 2020	3,388	3,850
Movement in year:		
Current service costs	-	-
Interest cost	81	88
Actuarial loss/(gain)	596	(495)
Settlements or curtailments	-	-
Benefits paid	(57)	(55)
Total movement in year	620	(462)
At 31 March 2021	4,008	3,388

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

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

	2021	2020
	£'000	£'000
Opening fair value of plan assets	3,621	3,660
Interest income	86	84
Actuarial gains (losses)	737	(68)
Contributions	-	-
Benefits paid	(57)	(55)
Closing fair value of plan assets	4,387	3,621

The asset gain (loss) is the actual asset return over the year of £823,000 (2020: £16,000) less the interest income of £86,000 (2020: £84,000).

The employer paid Enl contributions to this defined benefit pension plan in the year to 31 March 2021 (year to 31 March 2020: Enl, based on triennial calculations).

## Notes forming part of the financial statement (Continued)

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

	2021	2020
	£'000	£'000
Actual return less interest income recognised in the SOFA	737	(68)
Experience gains (losses) arising on benefit obligation	(107)	24
Effect of assumptions changes on benefit obligation	(489)	471
Effect of changes in the amount of surplus that is not recoverable	(141)	(233)
Total amount recognised in other comprehensive income	0	194
Difference between the asset return and the interest income recognised in the SOFA (£'000)	737	(68)
as % of scheme's assets	17%	2%
Experience gains / (losses) on obligation (£'000)	(107)	24
as % of obligation	3%	1%
Total amount recognised in SOFA (£'000)	146	423
as % of obligation	4%	13%

## 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.

Our work over the last year would not have been possible without the kind support of a number of individuals, corporate partners, trusts and the generous donations left to us as legacies. We would like to thank the following:

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- Ofenheim Trust

- Paul Bassham Charitable Trust
- PF Charitable Trust
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- Sir James Steel's Trust
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- Mrs Audrey Bedford
- Ms Margherita Elaina Francesca Butler
- Doris Camburn
- Mrs Nancy Carter
- Major R L P Colman
- Miss Sonia Marjorie Deadman
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- Mr Jorg Wilfred Keilbach
- Ann Marie Lavery
- Mrs Joan Mary Lea
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- Mrs Peggy Lucy
- Mr Ian Robert Kumar Maclaren
- C J & E J Melbourne Trust
- Mrs M D Mitchell
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**If you would like to find out more about our work and how you or your organisation can get involved or lend support, please contact our partnership or fundraising teams:**

**Partnerships@turn2us.org.uk  
Fundraising@turn2us.org.uk**

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**TURN2US**