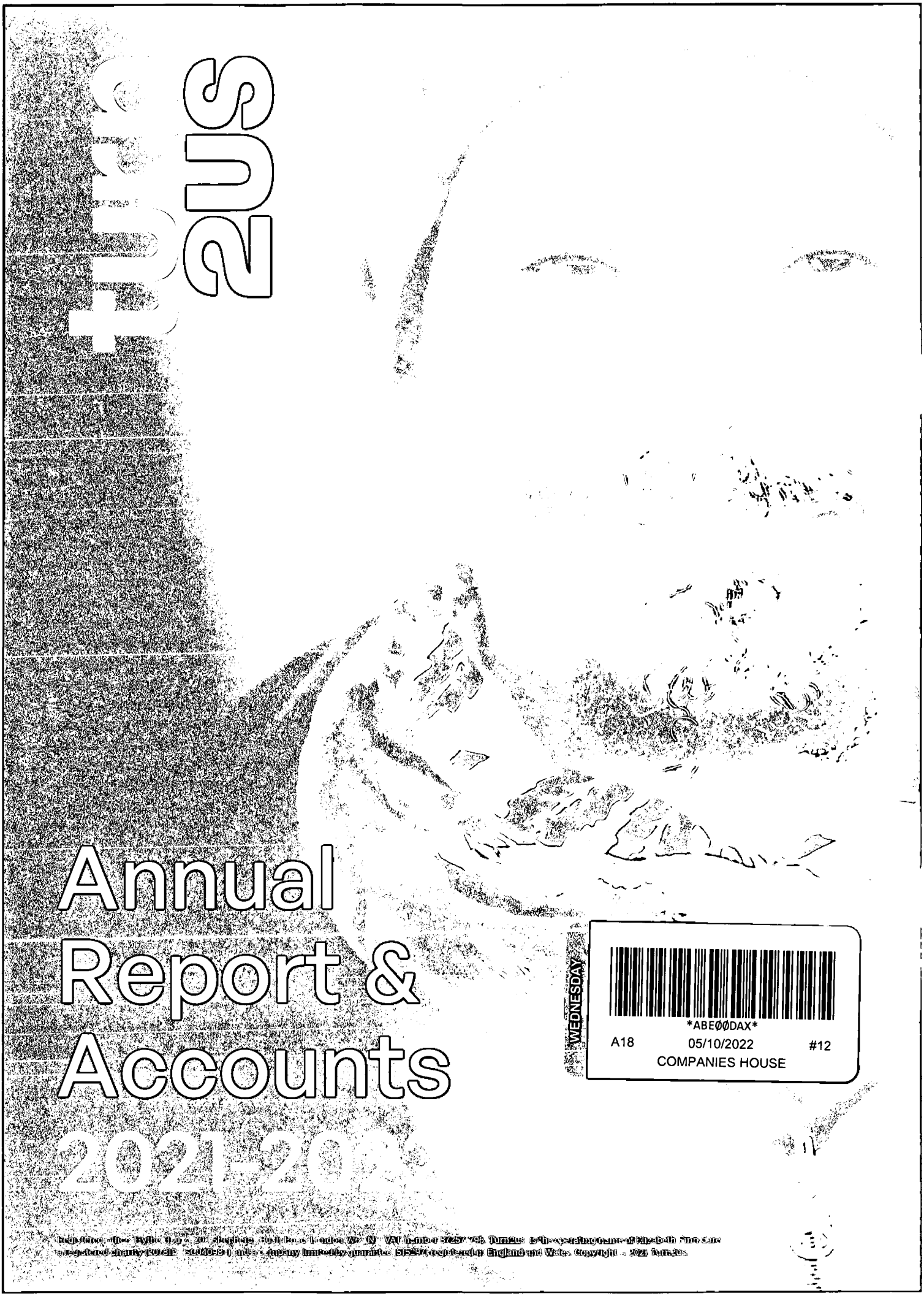

# Annual Report & Accounts

# 2021-2022

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## Turn2us: Tackling financial insecurity together

# An introduction from Sally O'Sullivan, outgoing Chair of Trustees

**This year's Annual Report & Accounts comes at a pivotal moment for us as a charity, as even more of us are caught up in a rising tide of poverty.**

The past year alone has been both extraordinary and tough, and one which required all of us to adapt to unprecedented challenges left by the pandemic.

During 2021, as the soaring cost of living forced millions of people into financial precariousness, we saw the need and demand for our services continue to grow. We heard from countless families across the UK facing impossible choices between feeding their children or keeping a roof over their heads as they struggled to afford the very basics in life. They shared their experiences and insights, it became increasingly apparent that there was an urgent and profound need for our advocacy work to amplify the voices of people living in financial insecurity.

Through our crisis grants, helpline and information programmes, we have been able to provide life-changing support to people at the point of crisis.

We have also been able to deepen our understanding of poverty in the UK, and the impact of life events on people's financial security.

The past 12 months have been a period of transformational change for Turn2us, with an increased focus on using our reserves to create meaningful impact on peoples' lives. This has included ensuring we are in the best possible shape to deliver fair and inclusive services as well as through the introduction of our new brand identity and values, which really put the focus of our work on the people for whom we exist.

As we update on the year gone by, none of our good work or achievements would have been possible without the drive and dedication of the capable leadership and staff teams across the charity. Together they have driven our purpose and strategy and provided a steady hand to guide us through the current storm engulfing our nation.

This Annual Report & Accounts is my last as Chair of Trustees for Turn2us, as I step down and hand over the baton to my successor, Carrie Stokes.

As I reflect on my past 12 years with the charity, I feel a profound sense of pride and gratitude to have been part of the journey and impact we have had on so many people's lives as they face desperate situations. I am very confident that Carrie, with support from the board of trustees and the wider charity, are the very best team to be taking our work into the next chapter. A chapter that, as we mark our 125th anniversary at the same time as millions of people face crippling bill increases and financial difficulties, is feeling increasingly more relevant.

I would like to pay tribute to the people and partnerships who have been part of my journey with Turn2us; the charity team who work tirelessly, the lived experts who have informed our work and co-designed services and policies, the sector partners with whom we collaborate and the people who donate money and/or time to the cause. The difference Turn2us makes is only possible because of this tremendous work and commitment.

This approach gives me confidence that we may one day look to a future where there is equity and financial security for all of us. By working together, we really can succeed.

"Together the capable leadership and staff teams have driven our purpose and strategy and provided a steady hand to guide us through the current storm engulfing our nation."

# An overview from Thomas Lawson, Chief Executive

**As we come to mark the tragedy and loss of the past two years, where millions of us were thrown into financial hardship, we must learn from the past to tackle the fallout of the economic storm and cost of living crisis we face.**

Like Sally, I believe we will one day look forward to a more equitable future in which people are not plunged into financial insecurity or destitution at the mercy of powers outside of their control. But while the soaring cost of living continues to tighten its grip on the finances of the nation, our commitment and determination to right the wrongs of the social injustices that push those on the lower incomes into poverty remain stronger than ever.

We have developed our services to respond to an ever-changing climate, increasing our reach and impact. We launched a new version of our Benefits Calculator which, over the past year, has resulted in two million people finding out what additional income they may be entitled to.

We made advances in our policy and influencing work. Through collaboration across the sector, important measures are being put in place for people facing a cliff edge brought about by the pandemic and the end of furlough schemes. This included a commitment from the government to ringfence an additional £1 billion investment in crisis support over the course of two Budget announcements. We also released our Life Events research.

This meant we could highlight that, whether through the death of a loved one, the diagnosis of a life-limiting illness, a job loss, or even the birth of a baby, life events can and do cause a significant financial shock to many lives across the UK. We know it is the most marginalised among us who are the worst affected. Sometimes this is temporary, while at other times it can be more long-term and even be the catalyst for pushing people into deep financial crisis.

This year, we mark our 125th anniversary and recognise the extraordinary legacy left behind by our founder, Elizabeth Finn. In all its guises over our history, Turn2us has sought to help people struggling to keep their heads above water. In recent years we have revised our purpose and values to deepen our impact. And it is this work that puts us in good stead to face this economic crisis head-on and to raise up the voices of people most affected so we can strive for a future where all of us can thrive.

The issue of financial insecurity in the UK, and the need for anti-poverty charities in the sector to bring about change – especially in the aftermath of the pandemic and in the face of soaring inflation – are critical.

Our purpose points to the root of the issue and clearly sets out a need to collaborate to address the symptoms and systemic causes of poverty.

None of this work would be possible without our staff team, co-production partners and board of trustees, led by our dedicated outgoing Chair, Sally O'Sullivan. Sally has been instrumental in driving through this change at Turn2us and her unwavering support to our cause over the past 12 years has made sure we are fit for the future and able to continue getting the help people need to them, when they need it. Our new Chair of Trustees, Carrie Stokes, is an exceptional appointment for the charity. With her leadership, we will continue to build on great work and make sure we can be part of a future legacy of which we can be proud.

"In all its guises over our history, Turn2us has sought to help people struggling to keep their heads above water. In recent years we have revised our purpose and values to deepen our impact."



# A welcome from Carrie Stokes, incoming Chair of Trustees

**It is a great privilege to be appointed Chair at a time when the needs of those we serve are so very pressing.**

With more than one in five of us living in poverty, Turn2us's work in tackling financial insecurity and helping people get the support they need has never been more important.

I hope this year's report gives you continued confidence that Turn2us is well placed to play a crucial role in helping people keep their heads above water while our economy continues to navigate through this enduring cost of living crisis.

As we look to our future, and we mark our 125th year of tackling poverty, 2022-23 is an historic milestone for our organisation in forging our vision and purpose for the future. We also ask the important questions: how many more years will we need to exist and how many more of us will be left without enough money to live on?

Now is both a time of reflection and of driving forward with our ambition to ensure financial security for all. At the heart of this is our shared goal of helping to create a more equitable and just society while understanding how many more of us will be pushed into desperate financial situations and even poverty.

As we move forward, our work will see us divest some of our investment income to reach those of us who are the most vulnerable and disenfranchised. We will do this while working in partnership with people who have lived experience of financial insecurity, to understand better and influence the systemic structures that create the social-economical injustices experienced by so many of us.

The implications of the pandemic and the ongoing cost of living crisis will be far-reaching for generations to come. I am in no doubt that charities such as ours will increasingly play a pivotal role in offering critical support to people who are often facing the most desperate circumstances. This is why I look forward to working with my fellow trustees and all of our teams across the charity to continue the legacy started by Elizabeth Finn 125 years ago.

I would like to pay tribute to my predecessor, Sally O'Sullivan, who has been extraordinarily tireless in her dedication and commitment to the cause and the charity. She has played a huge part in working with the board and executive team to improve the lives of people facing financial insecurity across the country. I look forward to building on her great work for the good of all the people we serve.

Looking to the future, I welcome the opportunity to be part of writing this next chapter. I look forward to working with each and every one of you in continuing the Turn2us story until we can see a future in which charities like ours are no longer needed.

"As we move forward, our work will see us divest some of our investment income to reach those of us who are the most vulnerable and disenfranchised."

# Trustees' report

## Our impact this year in numbers:

Today, in the UK, more than one in five of us is living in poverty – that's at least **14.4 million** people. Turn2us is committed to tackling the injustice of this financial insecurity and inequality. Highlights from the past financial year demonstrate just how we are doing this:

We gave over **£3.9 million** in grants to people in financial need.

**1.2 million** grant searches were completed.

**2 million** 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 60 people a day claiming up to an additional **£5,230 in benefit income** each year.

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

Our helpline received over **100,000 contacts** from people needing support to access our services and those of others.

# Turn2us's purpose and strategy: 2020-2023

**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. 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:

- Providing a number of digital tools through the Turn2us website **(www.turn2us.org.uk)**. They include a Benefits Calculator to check the welfare benefits and tax credits to which you could be entitled; a Grants Search tool to access financial support from over 1,500 charitable funds; and a range of information and resources to help people struggling to get by.
- Managing a freephone helpline number and contact centre **(0808 802 2000, open Monday to Friday from 9am to 5pm)** that is available to people who lack digital access, or for whom English is not their first language.
- 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 past 12 months that has left them in financial hardship.
- Responding to national crisis issues, such as the Covid-19 pandemic, with emergency grant funding and information, where possible.

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

## At the heart of our strategy – people and partnerships

**Our purpose and three-year strategy put 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 help and who have lived experience of not having enough money to create a reasonable quality of life. Our role is to offer support so they can be the agents of change in their own lives.
- **Life-changing events** such as the effects of Covid-19 and lockdowns, to bereavement, or even the birth of a child, can all be causes of financial insecurity. Life shocks such as this can, in turn, lead to people being plunged into financial crisis or even poverty. We want to become 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 financial insecurity that follows.
- **To tackle the causes of financial insecurity**, we recognise we cannot do it alone. We are committed to collaborating with other organisations to tackle the causes of poverty. An increase in people's income is not enough when systemic forces, such as stigma, housing shortages and inequalities in the availability of goods and services, perpetuate social exclusion. This Report highlights the progress made to date and outlines future plans.

# We said, we did, we will (our impact and future plans):

**In our 125th year since Elizabeth Finn set out to help people struggling to make ends meet, we're proud of our tireless work to support people who are having a hard time.**

But with 14.4 million of us – including 4.5 million children – living in poverty, and the cost-of-living crisis adding even more pressure, we must ask **how many more?**

**How many more** of us need to go hungry; struggle to pay for food; rely on foodbanks?

**How many more** of us need to sit in the cold and dark to save on energy?

**How many more** of us need to make stark choices between heating or eating?

None of us should have to live like this. We'll carry on being there for people until there is real action to change the systemic injustices that push people into financial insecurity and crisis. Our dedicated teams will keep offering high-impact, innovative, practical services and information that enable people to be more financially secure and will work in partnership with people with lived experience to create innovative programmes that enable more of us to thrive.

This section is about how we've achieved this in the past financial year, and what we'll do next year to build on this work:

**14.4m**

**of us living in poverty including 4.5 million children**

# Key activities and impact

**Throughout our history, we've invested our resources in providing vital support as life events plunge people into financial insecurity. We awarded over £3.9 million through 3,780 grants in 2021 and helped 2 million people understand their benefit entitlement through our Benefits Calculator in this financial year.**

**One way we help people to thrive and build their own financial security is through high-quality, practical programmes, including information and financial support.**

In 2021-2022 and throughout, we continued to improve our grant-making. We reviewed the Turn2us Response Fund, working with our partners and co-production partners, and this will feed into new grants and the Turn2us Response Fund strategy. Using what we've learned since the start of Covid-19, we designed a new grants and information response, partnering with six community-based organisations. We focused on reaching Bangladeshi and Black African women, making 954 grants totalling £723,301.

We learned that our grants had more impact when delivered by partners who could offer more holistic support and that we could reach some communities better by working with their trusted community partners. As part of this work, and to ensure our grant-making is equitable, we undertook a review of our Elizabeth Finn Fund.

We made the subsequent decision to temporarily close the fund upon learning that we were causing harm to people of colour who were making applications to it. This enabled us to undertake a redesign of it in partnership with our co-production partners. The newly designed fund is due to reopen later in 2022.

**We can make an even bigger difference for people facing financial hardship when we collaborate, by co-producing our work with experts who have lived experience, and with other organisations.**

We produced our first research project into the extent of life-changing events in the UK, and their impact on people's finances. Almost 15 million people in the UK had experienced a life event in the past two years that they found very difficult or impossible to cope with financially. We also partnered with the Bennett Institute at Cambridge University and co-production partners on our first 'theory of thriving' – what people feel they need to thrive.

**We're building the profile of Turn2us to secure support for what we do.**

Our first digital appeal on the end of furlough schemes gained 800,000 impressions and 3,174 actions from potential supporters. It raised £10,000 and helped campaigners to send 7,500 letters to their MPs. Our most successful winter appeal raised over £75,000 from nearly 400 supporters (over half of them new), including gifts from major donors through a partnership with Crowdfunder. We raised £232,000 in year one of our first multi-year corporate partnership, with Royal London, and secured £446,000 from partnerships with businesses, including Virgin Money, Compass Group and Cadent Gas, increasing the reach of our work via joint awareness-raising campaigns and supporting their customers.

**For change to happen, it's vital that we keep developing our influence on policy, practice and public opinion.**

We've continued to grow our influencing work by strengthening relationships and collaborating with political stakeholders and like-minded organisations. We've also invested in supporting our programme users to take direct action, including a new digital campaigning tool so they can easily contact their MP. We launched this by campaigning to keep the £20 uplift for Universal Credit (UC), followed by our Countdown to the Cliff Edge campaign. Over 7,500 people took action and 4,000 people were interested in hearing about future campaigns. While we didn't secure a permanent £20 UC increase, the public pressure generated by our campaign and the efforts of sector partners helped to secure changes to the taper rate and work allowances, with a reduction from 63% to 55%, meaning that for every pound people earn they now take home 8p more; equating to an average increase in income of £1,000 for workers on UC. We've also continued to campaign for investment in local authority-administered crisis support, with partners including the Trussell Trust and Children's Society.

**To carry out our work as effectively as possible, it's crucial we invest in our culture, systems, knowledge and skills.**

It's been a busy year for recruitment: we hired 25 people between April 2021 and March 2022.We provided greater support for our many staff working from home and enabled hybrid working, and delivered training in equity, diversity and inclusion; safeguarding; and management to staff across the charity. We've also implemented, or are rolling out, three key IT systems and our new finance system, Xledger, immediately strengthened our financial management.

**Through ethical investments in partnerships, projects and other assets, we maximise our income to support our work.**

During the 2021-22 financial year, we secured £1.8 million ethically, meeting our annual budget to achieve impact. That's £445,000 from corporate partners; £162,000 from individual giving and community support; and £1.2 million from major donors and Trusts & Foundations. This income enabled us to provide emergency grants through our emergency Covid-19 and Winter appeals, as well as increasing the operating hours and reach of our helpline. We are grateful to our Corporate Partners, Trusts and Foundations and individual supporters who have enabled us to support people experiencing poverty.

## Charitable activity in Scotland

Overall, Turn2us supported 1,049 (2021: 831) people in Scotland with grants totalling £751,000 in 2022 (2021: £592,000). 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 £12 million funds and a small 10-bed care home (now sold and the £483,000 proceeds incorporated into the fund), were pooled together under the Edinburgh Trust. The Edinburgh 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 of Edinburgh (ex officio) and a Councillor from the City of Edinburgh Council. A total of 793 beneficiaries were supported in 2021-2022 through the Edinburgh Trust (2020/21: 750) with grants totalling £531,000 (2020/21: £513,000). We have a dedicated office in Edinburgh with two caseworkers and a manager. A new Head of Edinburgh Trust was appointed in June 2022.

**793**

**beneficiaries were supported in 2021-2022 through the Edinburgh Trust**

**£531k**

**was awarded in grants through the Edinburgh Trust in 2021-2022**

# The final chapter of our current strategy and plans for the coming year

**We're embarking on a period of further evolution to build on the transformational work of the past three years. This is founded on our goals of helping to create a more equitable and just society and understanding how many more people will be pushed into financial insecurity, so we can offer the support they need, when they need it.**

**Campaigns:** Our co-produced **how many more** campaign aims to highlight multiple issues affecting people across the country, the impact of poverty on our society, and how systemic injustices push people into financial insecurity and crisis. Our advocacy and supporter-led appeals will raise awareness of Turn2us and build our audience of engaged supporters.

**Grants, programmes and partnerships:** In 2022-23, we plan to move from independent national grant funds to integrated and targeted grant programmes that enable the people most affected by financial insecurity to build financial stability and thrive. We will pilot local programmes in at least two locations and co-produce a new Grants Search tool so users can easily find and apply for grants for which they are eligible.

**Learning:** To achieve maximum impact for the people we exist to serve, we aim to create a more accurate picture of Turn2us's existing audiences and understand whether we should target different populations, through the Target Audience Project and in partnership with Experian. We'll also co-design evaluations of four major programmes – Contact Centre, Grants Search, Edinburgh Trust and Winter Grants Fund – in order to learn from our work.

**People and systems:** We'll continue working to improve diversity and inclusion among our trustees, employees, and in all our work. We'll be recruiting staff to five positions to cultivate new and existing philanthropic relationships and to develop our strategic partnerships with corporate partners: Trusts and Foundations. We'll invest in systems to better understand and engage our supporters and redevelop our website with co-production partners so users can quickly and easily find the information and resources they need.

**We will pilot local programmes in at least two locations and co-produce a new Grants Search tool so users can easily find and apply for grants for which they are eligible.**

# Equitable grant-making at Turn2us

## Our commitment to Equity, Diversity, Inclusion and Belonging (EDIB)

**In 2020, Turn2us made a public commitment to tackle racism and inequity, and to build diversity and inclusion throughout every level of our organisation and work. As part of this commitment and work, we prioritised two reviews: one into our grant-making and another for our grant search tool. This was to help us understand whether our support services were equitable and, if they were not, how best to improve them.**

### Our findings

In an initial review of the Elizabeth Finn Fund, we found a correlation between grant applications from ethnically minoritised groups being refused a grant at a greater rate than those from white applicants. We recruited a peer researcher to explore this topic, which included in-depth interviews and survey responses with people from minoritised ethnic backgrounds who had been refused grants. It was found that Turn2us was biased against people of colour during the application process, consciously and unconsciously. Other applicants reported that their particular experience was not properly understood, the questions were intrusive, and the method of contact (mostly email) felt impersonal and complex. As a response to this, we have temporarily closed the fund to new applications so we can undertake a thorough end-to-end redesign of it. The redesign process, which is now under way, includes working with a diverse group of people with lived experience of financial insecurity to make sure their needs are at the centre of the work. We expect the fund to look very different when we reopen it in the autumn. At the same time, we are also developing a new strategy for our national grants work so we can be more confident, in the future, that all our funds reach people facing multiple barriers to financial insecurity and are delivered in a way that shares power and retains people's dignity and agency.

The second review assessed our Grants Search tool, which supports people to find other grants for which they may be eligible from over 1,500 charitable funds. We conducted this review to understand better racial equality in our digital products. It was conducted through a desk review, as well as seven user research interviews and two workshops with people from Black and minoritised ethnic communities, ranging from people with lived experience to grassroots leaders. The overall findings suggested there was a representation gap among co-producers at Turn2us (especially of Bangladeshi and Somali communities) and due to this, diverse insights might be missing from the tool's design. An additional finding centred on the limited accessibility, particularly for Black and minoritised ethnic communities, and that reliance on content created by charities added further complexity to language issues. Many recommendations from the report, such as helping people build trust in the tool, are being addressed in the building of a new Grants Search tool. This element of co-producing our work is vital.

### What are we doing about it?

The safeguarding and welfare of all people who access our services is our priority and we are committed to delivering equitable services for them when they need them most. We cannot ignore the intersection of racism, or any other oppression, and financial insecurity. That is why the steps and measures we are taking to make sure our future work builds on lessons from both reports moves us closer to becoming the equitable and anti-oppressive organisation we strive to be. Measures we are taking include investing in Equity Diversity, Inclusion and Belonging work, more specifically with the appointment of a Head of Accountability and Inclusion, and further reviewing of our practices across the organisation – from recruitment to programme delivery. We have put in place steps to address the findings in both our grants and Grant Search tool and will continue to be held to account by people using our services as we develop this work.

It is our hope that our lessons help us to provide a space for reflection for our sector, so we can continue invaluable conversations about how to make sure diversity, equity, inclusion and belonging remain at the heart of our work. More information about this work and our commitment to EDIB can be found on our website: **turn2us.org.uk/EDIB**



# 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.**

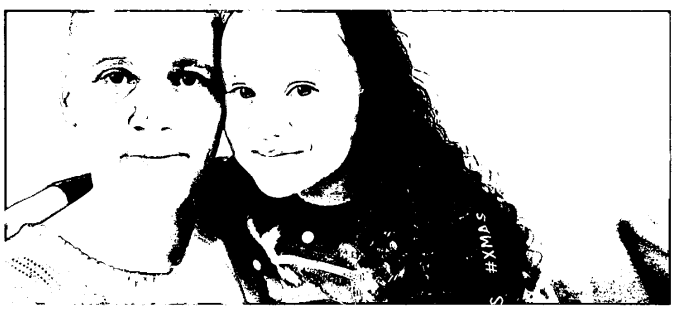
For the 12 months to 31 March 2022, we received no formal complaints in relation to our fundraising activities. Via written policies and training, our staff received guidance regarding Data Protection (including GDPR) and regarding communications with at-risk members of the public. Our safeguarding policy applies to all personnel and covers our commitment to, and positioning on, safeguarding all those we come into contact with through our work. This was updated in full in 2020, and then again in 2021. The Safeguarding Manager acts as the default primary contact for all concerns coming directly into the charity regarding service users, members of the public, and personnel. All staff are trained in the basics of safeguarding, including to recognise harm and abuse. Staff are further trained in recognising other types of harm and abuse, and in holding conversations with people at risk of harm. Training is provided for appropriate staff to equip them to manage concerns and complaints. Trustees are also trained in their safeguarding responsibilities.

Our income for the year saw a 9% decrease (2022: £32 million; 2021: £35 million). The Turn2us group is fortunate to have three main sources of income which are not closely correlated: supporter income, care home income and investment income.

**Supporter income:** Supporter income returned to pre-pandemic levels this year, with £1.9 million raised (exceeding our target of £1.84 million). Despite a decline in legacy income (-£100,000 under budget) and income shortfalls from major donors (-£60,000) and trusts and foundations (-£250,000), which had vacant posts for significant portions of the year, all other income streams saw growth from pre-pandemic levels. Corporate donations had great success, ending the year more than £350,000 over budget due to key strategic partnerships, including Royal London, a flagship strategic partnership and our first multi-year corporate partnership. Our partnership with Royal London is particularly significant with a full programme of engagement activity, as well as fundraising. This year their staff have taken part in challenge events for us, and match-funded our April 2022 Crowdfunder appeal for the cost-of-living crisis.

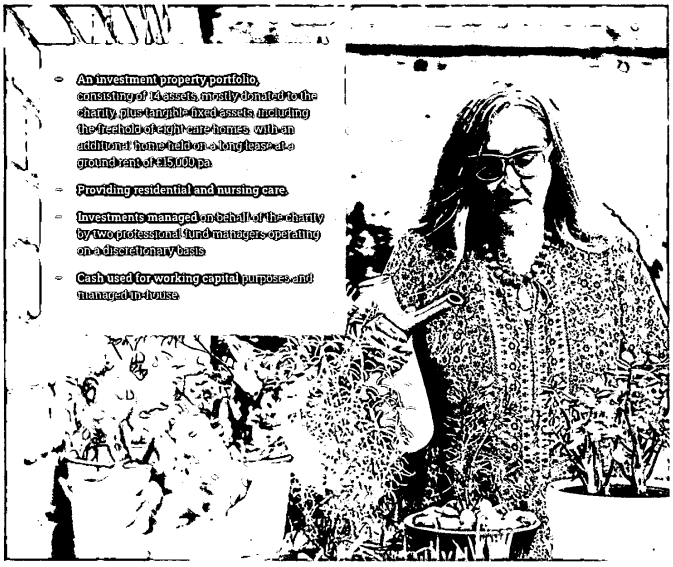
**Care home income:** Elizabeth Finn Homes Limited is run separately from Turn2us, with surplus and rent from the care homes being invested back into the charity. In 2021-2022, Elizabeth Finn Homes Limited contributed £5 million (2021: £4.1 million) in both covenanted surplus and rent to Turn2us. The contribution figure is stated after investing £328,000 (2021: £327,000) 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 £885,000. Investment valuation increased by £2.4 million at year end.



# Investment policy

**Our charity last updated its investment policy in 2019. This continues to recognise three critical groups of assets, which are monitored by the Finance & Investment Committee on a quarterly basis:**




**The majority of property assets are reviewed as part of the continuing assessment of performance of the dedicated care home subsidiary, Elizabeth Finn Homes Limited (EFHL). Investment properties, which do not form part of the care home portfolio, are reviewed regularly by the Finance & 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%' 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.

Currently, the investment portfolio excludes predatory lenders because they are at odds with the mission of the charity. In the 2022-23 financial year, we are updating our ethical investment policy to take a broader look at aligning our portfolio to our charitable aims.

For the £56.4 million funds held by investment managers (2021: £56.8 million), the combined investment performance for both investment managers for this year was +4.5%, which was below the composite benchmarks but in line with our budgeted return objectives for the financial year.

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 flat against the previous year, holding steady at £35m. Spend on charitable activity went up 5% (2022: £9.3 million; 2021: £8.8 million), while the cost of running our care homes decreased by 2% (2022: £24.8 million; 2021: £25.4 million). The central running costs of the charity increased by 12% (2022: £1.4 million; 2021: £1.2 million), largely driven by increases in training and recruitment costs and IT to support hybrid working.**

## 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 6 and 12 months of group expenditure in free reserves. This will continue to be our goal as we manage the potential impact to revenue due to Covid-19 and the cost of living crisis, both in care home income and charitable giving. However, we are committed to maintaining our levels of charitable grant-making during a time when more people are facing financial crisis due to the pandemic.

The charity has responsibility for a historical defined benefit pension scheme, which is closed to new joiners. The scheme is governed by a separate board of trustees. The charity must maintain appropriate funding levels to ensure the scheme can meet its liabilities. Currently, the charity has committed to a repayment plan of £533,000 over 10 years to meet the funding requirements identified in the last triennial review dated 30 June 2020. This commitment can be met while still retaining appropriate levels of reserves.

As of 31 March 2022, total funds were £69.5 million, a decrease of 0.3% from the previous year (2021: £69.7 million). 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.

On 31 March 2022, the charity held free reserves of £31.9 million, 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 board, which is supported by the Audit, Risk & Governance Committee, has overall responsibility for risk management of the group. A strategic risk register covering key strategic risks is reviewed by the Audit, Risk & Governance Committee and the board. The group's risk policy was last reviewed in 2019 and will be reviewed again in 2022.

The rise in inflation and cost of living, and in particular the increase in fuel prices, is a key financial risk for the charity in the coming year. In the short term, we know the cost of running our care home business will rise, and this will likely have an impact on its financial contribution to the charity. In addition, we expect to enter a period of volatility in global markets, which will likely have a negative impact on our returns. The charity, however, has strong reserves, which will support us through this difficult period.

In looking at the key financial risks and in view of financial projections over the next 18 months, trustees are satisfied that the charity is a going concern.

Key operational risks include difficulty recruiting sufficient numbers of high-calibre staff to deliver the strategic plan, failing to reach those who are most in need of our support, reputational risk arising from entering poor partnerships, inability to evaluate the impact of our work, and a lack of equity, diversity and inclusion in our organisation and in the delivery of our services. For the care home subsidiary, the main operational risks are general staffing and inability to recruit sufficient care home staff, occupancy and safeguarding.

Trustees ensure that there are appropriate measures in place to mitigate the impact and likelihood of risks occurring. Where possible, insurance protection is taken out against risks materialising and, where insurance is not available, frequent monitoring and surveillance of the mitigation measures takes place.

**To enable the charity to deliver upon its commitments to our beneficiaries and to avoid any risk of interruption to the primary objective, our prudent reserves policy is to retain between 6 and 12 months of group expenditure in free reserves.**

# Elizabeth Finn Homes Limited (EFHL)

## The board of directors of Elizabeth Finn Homes Limited for 2021-2022 comprises:

- **Thomas Lawson**, executive Chair (appointed 1 August 2021), (previously non-executive director)
- **Edwina Johnston**, deputy Chair, non-executive director (trustee of Turn2us)
- **David Abas**, executive director
- **Jonathan Crisp**, executive director (appointed 21 September 2021)
- **Richard Hawes**, executive director (resigned 30 June 2022)
- **Sebastien Jantet**, non-executive director (resigned 31 October 2021)
- **Julienne Meyer**, non-executive director (appointed 1 April 2021)
- **Richard Midmer**, non-executive director (trustee of Turn2us), (resigned 30 June 2022)
- **Thomas Morgan**, non-executive director (trustee of Turn2us)
- **Sally O'Sullivan**, non-executive director (trustee of Turn2us), (resigned 31 March 2022)
- **Simon Penfold**, executive director (resigned 16 July 2021)
- **Carrie Stokes**, non-executive director (trustee of Turn2us), (appointed 1 April 2022)
- **Alistair How**, non-executive director (appointed 6 September 2022)
- **Elizabeth Marsh**, non-executive director (appointed 6 September 2022)
- **Thomas Mathew**, non-executive director (appointed 6 September 2022)

**Throughout 2021-2022, Covid-19 impacted hugely on the financial performance of Elizabeth Finn Homes Limited, adversely affecting occupancy and staff costs in our care homes. During this period, we were able to deliver the highest standards of Covid-19 security, keeping staff and residents as safe as possible.**

The board of directors of Elizabeth Finn Homes Limited and the trustees of the charity are hugely thankful to the staff whose dedication in managing the challenges presented by the virus has resulted in occupancy slowly increasing and a better than predicted financial contribution to the charity of £5m at year end.

Elizabeth Finn Homes Limited provided care to an average of 389 residents in 2021-2022 (387 in 2020-21) across the nine homes. This represents an average of 81% occupancy across the year (79% in 2020-21). The actual resident number have increased from around 373 to over 400 over the course of the year.

Elizabeth Finn Homes Limited has focused on delivering safe, quality care throughout the year. All homes were reviewed monthly by the Care Quality Commission (CQC) against both infection control standards and the requirement to be inspected, and all passed without criticism or need to inspect. One home, The Lodge in Exeter, was selected for inspection as part of a randomisation exercise by CQC, and we are pleased to report that it retained its overall Outstanding rating.

We have maintained our CQC ratings: 33% of our care homes are rated Outstanding against an industry average of 5%. All our other homes are rated Good. Five of our homes hold Gold Standard Framework accreditation for end-of-life care and three homes (Halliwell, Grove Court and Rashwood) received the prestigious Platinum status.

We have kept the specialist Covid-19 visiting areas which were constructed during the initial phase of the pandemic, and these can be brought back into service if a home has an outbreak of Covid-19 or families feel especially vulnerable. Throughout the year, we maintained frequent Covid-19 testing to keep staff and residents safe. We have worked with the local health protection agency to maintain face-to-face visiting within government guidelines.

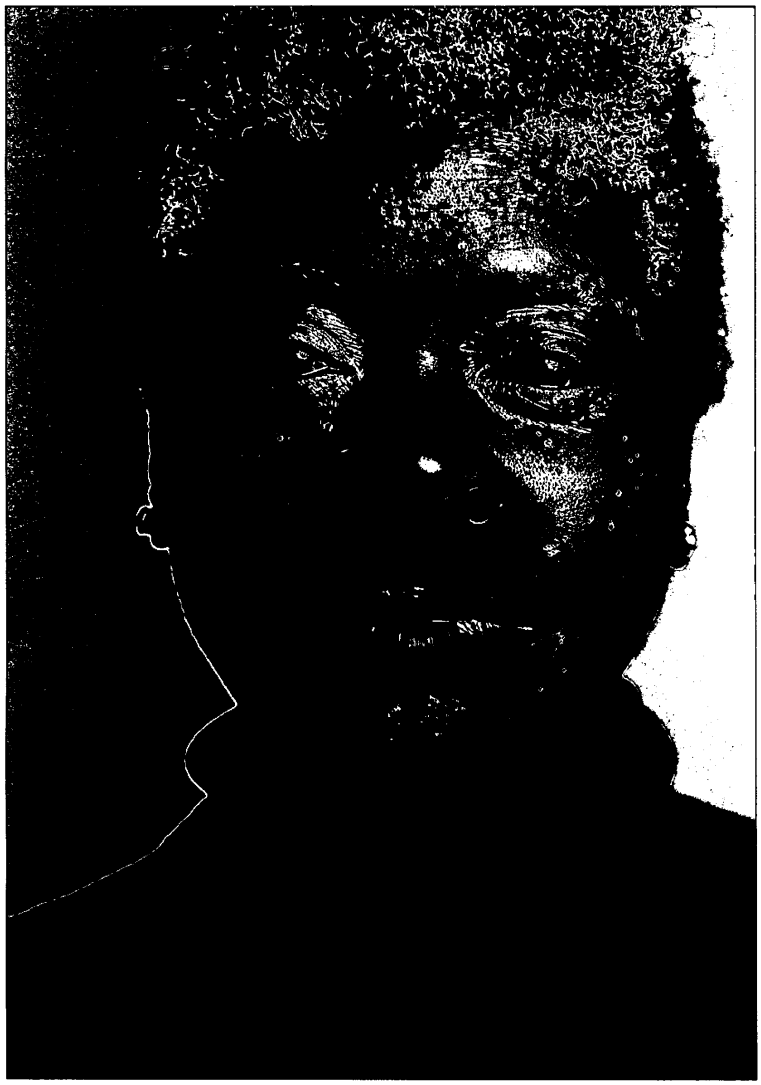
Investment in technology has enabled families to video call their loved ones and the benefit of this has continued to be felt, particularly for residents whose families live some distance away. In addition, we have continued to produce newsletters to keep families engaged with the services.

Where Covid-19 outbreaks have occurred, staff worked hard to minimise cross-infection, putting in place extra measures. We had robust Covid-19 vaccination policies and procedures to ensure Government guidelines were adhered to at all times. This involved regular communications to all homes and staff to drive compliance and ensure our homes operated safely and in line with strict guidelines and legal requirements. Although every effort was made to highlight the importance of vaccination for the safety of our residents, and anyone who entered our homes, a small number of staff declined to comply with the mandatory vaccination requirement for care home staff and, unfortunately, this meant we were unable to retain those people. The staff who left our organisation did so with respect and dignity and their service and dedication to the business was recognised in all cases.

There has been a continued pressure on recruitment and retention of staff over the past year. Our staff turnover, although broadly in line with the national average for our sector, is higher than we would like. We continue to work hard in a range of areas to combat the national recruitment challenge. We currently employ around 571 members of staff across the organisation. Our staff vacancy rates were between 7% and 8% throughout the pandemic, which was considerably below the industry average.

We invested in administrative systems during the year to support staff and increase efficiency. We replaced our income and accounting systems in April 2021 and upgraded our HR payroll system in March 2022. We have implemented new e-learning for cost-effective staff training. There has been continued investment in our IT infrastructure and we have, again, been successful in our accreditation by the NHS of the Data Security and Protection Toolkit which measures an organisation's performance against the National Data Guardian's 10 data security standards.

We have maintained our CQC ratings: 33% of our care homes are rated Outstanding against an industry average of 5%. All our other homes are rated Good.



# Financial activities of the charity

(see note 14b in the Financial Statements)

**Incoming resources 2021/2022**

- 8% Legacies: **£615,000**
- 17% Donations & Grants: **£1,292,000**
- 0% Net profit donation from Elizabeth Finn Trading Company: **£16,000**
- 23% Rental Income from Elizabeth Finn Homes Limited: **£3,190,000**
- 41% Net profit donation from Elizabeth Finn Homes Limited: **£1,827,000**
- 11% Investment income: **£885,000**

**£7.82 million received**

Contributions from Elizabeth Finn Homes Limited were made possible by the generosity of previous supporters who financed or donated to the care homes.

**Outgoing resources 2021/2022**

- 29% Grants given: **£4,752,000**
- 44% Helpline, online and face-to-face support: **£3,184,000**
- 16% Grant casework: **£1,770,000**
- 0% Trading activities for charitable benefit: **£16,000**
- 6% Income generation: **£622,000**
- 2% Investment management: **£215,000**
- 3% Property maintenance of Elizabeth Finn Homes Limited: **£328,000**

**£10.9m million spent**

Charitable activity accounts for 89% of the total financial activity of the charity or 89p for every £1 spent

# Legal, structure and governance

The charity was founded by Elizabeth and Constance Finn in 1897 as the Distressed Gentlefolk's Aid Association and incorporated under that name on 19 January 1953 as a charitable company limited by guarantee. The charity changed its name to Elizabeth Finn Trust in 1999 and to Elizabeth Finn Care in 2005. The operating name of Turn2us was adopted in 2015.

The charity is governed by articles of association (last amended 23 July 2019). The objects are to relieve and assist residents or nationals of the United Kingdom or the Republic of Ireland from a professional or similar background suffering from old age, infirmity, disablement or financial need or are otherwise in conditions of need, hardship or distress.

## Role of the board of trustees

The board is ultimately responsible for promoting the long-term success of the charity. Trustees lead and provide direction for management in setting strategy and overseeing its implementation. They are also responsible for oversight of the charity's systems of governance, internal control and risk management.

The trustees have acted in accordance with their legal duties which includes their duty to act in the way they consider would most likely promote the success of the charity and their duties under the Companies Act. Considerations under section 172 of the Companies Act 2006 are embedded in decision-making at board level and throughout Turn2us.

Specific key decisions and matters have been reserved for the board. These include overall management of the charity, ensuring compliance with its objects and relevant legislation, the strategic aims and objectives of the charity, approval of annual budgets and business plans, approval of the scheme of delegation to the board's sub-committees and their terms of reference, and appointment of trustees and directors of subsidiary companies.

At each meeting of the board, trustees receive reports on key aspects of the charity's operations, including financial performance and resilience, material activities, regulation, communications and programme monitoring. 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.

Our trustees are volunteers, and not remunerated for their work, but may claim reasonable expenses incurred by attending meetings or carrying out other duties.

At each meeting of the board, trustees receive reports on key aspects of the charity's operations, including financial performance and resilience, material activities, regulation, communications and programme monitoring.

## Appointment, effectiveness and attendance of trustees

The Articles of Association provide that the board shall consist of between seven and 15 individuals, all of whom must be members of the charity. At the year end, the charity's board comprised 10 trustees. The names of those who served on the board during the year are detailed on page 30. Board members are trustees of the charity and directors of the company limited by guarantee. Membership is only open to trustees. More information about our trustees can be found on our website.

The balance of the board's diversity, skills and experience is kept under constant review and new trustees are appointed by the existing board on recommendation of the Nominations & Remuneration Committee. Recruitment is based on objective selection criteria after a transparent and competitive process.

At the end of the financial year, our Chair, Sally O'Sullivan, resigned after serving for many years. Also leaving the board during the period was Lord John Sharkey, who stepped down due to other commitments; Richard Midmer, who resigned at the end of June 2022 after long service; Henry Elphick, who resigned on the 30 June 2021 and Richard Carter, who resigned on 30 June 2021. We offer sincerest thanks to all our resigning trustees for their tireless support of the charity during their time with us; in particular, Sally O'Sullivan, who provided outstanding leadership during her tenure.

We welcomed two new trustees to the board with effect from 1 April 2022: Carrie Stokes, our new Chair, and Sandy MacDonald. The recruitment of the Chair included advertising the role, a rigorous shortlisting exercise and first and second interviews of the candidates by a panel appointed by the Nominations & Remuneration Committee. Carrie is an independent strategic brand consultant and executive facilitator with 30 years' experience influencing and advising boards and executive teams in the private and non-for-profit sectors. Her clients that have included The John Lewis Partnership, London 2012 Olympics, London Business School, Leap Confronting Conflict and Radar (now Disability Rights). She is passionate about addressing foundational issues that impact people's potential to grow, broaden their horizons and succeed, and has balanced being a director of a WPP-owned agency and then her own business, with working pro bono for charities that focus on food security, financial insecurity, disability rights, adult literacy and youth issues.

On 1 April 2022, Carrie also became Chair of the Nominations & Remuneration Committee, a director of Elizabeth Finn Homes Limited and a member of the Edinburgh Trust Committee.

Sandy MacDonald was recommended to us through our networks when we were specifically looking for a trustee from Scotland to join the Board and the Edinburgh Trust Committee. He has a professional background in Corporate Affairs, Responsible Business, Sustainability and Marketing. Sandy has focused on working within and across sectors to drive social and environmental change, inclusion and wellbeing. Previously Global Head of Corporate Sustainability at Standard Life Aberdeen plc, Sandy was appointed as director of Public Policy & Communications at Scottish Financial Enterprise in May 2021. His strong, active interest in social justice and tackling inequalities is also reflected in his voluntary and non-executive career. Sandy is a former trustee of charities including Children 1st and Venture Scotland, a former Chair of the Living Wage Scotland leadership group and was an Independent Commissioner on the Edinburgh Poverty Commission. He is a founding trustee of Everyone's Edinburgh and sits on the Nominations Committee of the National Trust for Scotland.

Each new trustee is required to engage in a tailored induction programme to enable them to quickly and fully engage with their role. Additionally, all trustees are required to undertake appropriate training throughout the year arranged by the charity on identified areas of risk or where knowledge needs strengthening, for example annual safeguarding training.

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.

The board of trustees currently meets four times a year plus one strategy awayday. Attendance by trustees at board and committee meetings during the year is shown in the table below.

| | |
|---|---|
| **Richard Carter** | **100%** |
| **Helen Chambers** | **89%** |
| **Olivia Curno** | **83%** |
| **Henry Elphick** | **100%** |
| **Steven Hunter** | **93%** |
| **Edwina Johnston** | **100%** |
| **Richard Midmer** | **100%** |
| **Tom Morgan** | **66%** |
| **Sally O'Sullivan** | **87%** |
| **Natasha Otero-Nevitt** | **50%** |
| **Kalm Paul-Christian** | **83%** |
| **John Sharkey** | **67%** |
| **Jo Wickremasinghe** | **100%** |

## Public Benefit Statement

**The charity's trustees have had due regard to the Charity Commission and OSCR guidance in relation to delivering public benefit. The work of Turn2us is specifically aimed at the prevention or relief of poverty and all the charity's resources are focused on achieving its charitable purposes.**

## Board sub-committees

**Audit Risk & Governance Committee** provides oversight of the financial reporting process, the audit process, the systems of internal controls and compliance with laws and regulations on behalf of the boards of both the charity and Elizabeth Finn Homes Limited. Members are:

**Steven Hunter** (Chair to 31 March 2022)
**Edwina Johnston** (Chair from 1 April 2022)
**Richard Midmer** (to 30 June 2022)
**Jo Wickremasinge** (from 10 August 2022)

**Edinburgh Trust Committee** was formed in accordance with the Deed of Appointment dated 11 July 2011 between the charity and the City of Edinburgh Council for the transfer of assets of several poverty-related charities and trusts in Edinburgh. The committee advises the board about the operation of a restricted fund known as the Edinburgh Trust. The committee has two external members who strengthen its local knowledge and expertise in the field of poverty relief. Members are:

**Helen Chambers** (Chair)
**Sally O'Sullivan** (to 31 March 2022)
**Sandy MacDonald** (from 1 April 2022)
**Carrie Stokes** (from 1 April 2022)
**Lord Provost of the City of Edinburgh** (ex officio)
**Cammy Day** (City of Edinburgh Council nominee)
**Mary Craig** (external member)
**Mark Upward** (external member)

**Finance & Investment Committee** is responsible for providing the necessary scrutiny and oversight of the financial management of the charity and its subsidiaries and for giving assurance to the boards about their ongoing financial sustainability. The Chair of the committee is the charity's treasurer. The committee has also appointed two external members to strengthen its financial and investment expertise. Members include:

**Richard Midmer** (Chair to 31 March 2022, committee member to 30 June 2022)
**Steven Hunter** (Chair from 1 April 2022)
**Helen Chambers**
**Richard Buxton** (external member)
**David Causer** (external member)

**Nominations & Remuneration Committee** leads the process for appointments to the board of the charity, its subsidiary and committees, ensuring orderly succession and overseeing the development of a diverse succession pipeline. The committee also recommends to the board policy on staff and executive remuneration and benefits. Members are:

**Sally O'Sullivan** (Chair to 31 March 2022)
**Carrie Stokes** (Chair from 1 April 2022)
**Olivia Curno** (to 10 August 2022)
**Richard Midmer** (to 30 June 2022)
**Kalm Paul-Christian**
**Thomas Lawson** (as Chair of EFHL)



## Membership of the charity

Membership of the charity is open only to trustees. Members of the charity guarantee to contribute up to £1 to the assets of the charity in the event of winding up.

## Trustees' reviews

This last year has seen the charity continue to drive forward with its three-year strategy, which was approved following significant consultation and input from service users, staff members and other key internal and external stakeholders. Subsequently, this year's budget was approved by the board following a comprehensive review of our priorities and risks to our operation. During the summer of 2022, we will begin the process of developing a new strategy for the period 2023-2028 which will be implemented from 1 April 2023.

The UK is witnessing an unprecedented cost of living crisis, with the heaviest economic burden being felt by those of us in our society who were already facing the greatest barriers to earning a living and making ends meet. These structural inequalities will only deepen the longer this crisis continues. Our work within this, and the role the charity plays, is set out within our charitable purpose.

## External stakeholders

This year, we deepened some of our partnerships with local organisations to deliver support to people dealing with financial crises arising out of Covid-19. We also developed a collaborative approach with other grant funders (Buttle and Smallwood Trust) to initiate a programme looking at the impact that grants might have on tackling issues of gendered poverty.

In Edinburgh we started to work with organisations like the Poverty Alliance and the Cyrenians to consider our strategic programme approach in Edinburgh to support the call to end poverty in Edinburgh by 2030.

We continued to develop our influencing work to promote the rights of the people for whom we exist and bring about systems change. This year we launched a digital campaigning tool so that people could take action on the issues that directly affected them by contacting their MP. This enabled more than 9,000 people to campaign for change.

Our work with a wide range of partners also continues, so together we can help effect change, including through joint campaigning on local crisis support that has now secured over £1.4 billion in temporary support such as the Household Support Fund. We have also continued to provide a forum for scrutiny of Universal Credit through our work for the All-Party Parliamentary Group for Universal Credit.

During this time, we have worked with 56 co-production partners on 26 projects, ranging from one-day events to year-long pieces of work, to ensure our services are co-produced with experts by experience.

The board has continued its interaction with our regulators; ensuring we fulfil our legal obligations and accountability to our stakeholders (for example, 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 year, the charity also gained good momentum in progressing safeguarding best practice as the underpinning foundation 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.

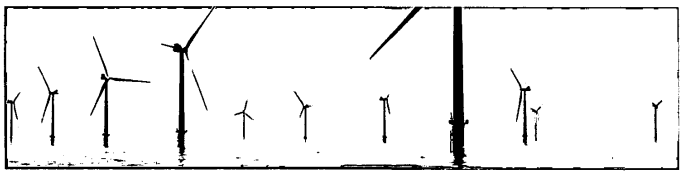
**All applications for support will be assessed:**

- **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

| Streamlined Energy & Carbon Reporting disclosure for the period April 2021–March 2022 | Current reporting year (2021-2022) UK & offshore | Previous reporting year - restated (2020-2021) UK & offshore |
|---|---|---|
| Total energy consumption used to calculate emissions in kWh | 10,301,619.45 | 10,491,452.00 |
| Emissions from combustion of gas (Scope 1) – includes natural gas and LPG | 1,137.37 | 1,502.82 |
| Emissions from other activities which the company own or control including operation of facilities (Scope 1) – gas oil used for heating | 434.78 | 202.53 |
| Emissions from the combustion of fuel used in company-owned vehicles (Scope 1) | 38.14 | 22.60 |
| Emissions from purchased electricity (Scope 2, location-based) | 499.05 | 560.40 |
| Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3) | 15.31 | 7.20 |
| Total gross tCO2e based on above | 2,124.65 | 2,295.55 |
| Intensity ratio: gross tCO2e / FTE | 3.32 | 3.31 |



## Methodology

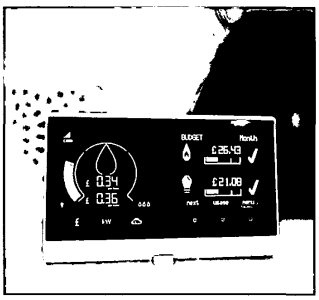
As a charitable organisation, Turn2us is required to report its energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The data detailed in this table represent emissions and energy use for which Turn2us is responsible, including energy used in our offices and care homes and fuel used in company-owned or operated vehicles or for company business. We have used the main requirements of the Greenhouse Gas Protocol Corporate Standard to calculate our emissions, along with the UK Government GHG Conversion Factors for Company Reporting 2021. Any estimates included in our totals are derived from actual data.

We have restated last year's data for business travel and emissions from the combustion of fuel used in company-owned vehicles as the allocation between Scope 1 & 3 was incorrect.

## Energy-efficient actions

The following energy efficiency measures were implemented during the reporting period 2021-2022:

- **Lighting replacement** in place as part of refurbishment project
- **Control systems at Eversfield** were upgraded to improve the efficiency of the heating system
- Project to upgrade gas meters to **smart meters** in progress
- **New procedures were put in place,** so gas, electricity and water consumption are internally monitored on a monthly basis.



## Volunteers

Turn2us is fortunate to have worked with a number of committed volunteers in recent years and we are grateful for their support. There have been significant changes in how we can work with volunteers in most areas due to the pandemic and we will be looking to review our volunteering strategy in the future. We continue to engage with the 221 registered volunteers and keep them updated on our programmes and campaigning work.

# Staff

**We have a paid workforce of 640 full-time equivalent staff (2021:722) based across the UK. Of this workforce, 571 work in our dedicated care home business, Elizabeth Finn Homes Limited, while 69 are employed by the charity, Turn2us.**

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.

Throughout the year, the board received reports from the directors of each directorate on the landscape and the plans they are putting in place to respond to changing demands. Directors also provide regular updates on performance and focus on areas which give the board insight into issues and concerns.

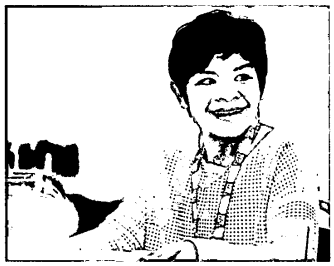
Many of Turn2us' staff have continued to work remotely. We have maintained regular communications with all staff through a daily update and monthly all-staff meeting.

It has been a busy year for recruitment, with 25 people having been hired across all functions and at all levels between April 2021 and March 2022. This includes three staff recruited through government or apprentice-type schemes which provide them with opportunities they might not otherwise have had.

We have continued to improve the coordination of training, with a number of key sessions for staff including management, safeguarding, and equity, diversity and inclusion (disability and LGBT+). Some staff have also received bespoke individual training to support their development, particularly via coaching and mentoring.

We have updated our HR policies to ensure they continue to reflect current working practices and the values of Turn2us. During 2021-2022 we merged the staff and trustee codes of conduct and developed new recruitment, equity, diversity, inclusion and belonging and, wellbeing policies. We also developed terms of reference for our mental health first aiders.

Turn2us is fully committed to improving diversity among our people and within all aspects of our work to create an inclusive working environment. We recognise that working with staff, trustees and volunteers from different backgrounds brings new ideas and innovative approaches to how we work and develop resources and support for the people we exist for. Since 2019, we have had a committee made up of staff members from all levels of the organisation who lead on initiatives aimed at improving diversity and inclusion in our workplace and in our programmes. We have also committed to undertaking an equality and diversity governance review.





## Renumeration policy

The charity adopted a new remuneration policy in December 2020 with transparent salary bandings and objective job level criteria to help drive consistency in starting salaries and help us attract and retain the highest quality people to lead and develop our work. Rates of pay for senior members of staff are determined by the Nominations & Remuneration Committee and the board after consideration of benchmarks across the sector. Pay and benefits for senior members of staff are published in our Financial Statements. Pay for all staff is reviewed annually by the board to take account of rises in the cost of living. For the 2022-23 financial year, charity employees received a 6% cost of living increase.

## Gender and race pay gap report

Our gender and race pay gap report as of 5 April 2021 showed a gender pay gap of 13.6%. This is partly explained by the fact that our new junior / entry level roles were mainly filled by women.

The report showed a race pay gap of 4%. People of colour made up a slightly higher percentage of overall staff between 2021 and 2020 but the percentage in the top quartile declined year on year.

Turn2us is committed to the principle of equitable opportunities and treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. As well as our transparent remuneration policy, we have also introduced blind shortlisting to reduce bias in hiring new appointments. We have paid for four placements for year-long training and mentoring with Black Charity Leaders to support these staff to grow into leadership positions. We are committed to completing a gender pay analysis on an annual basis.

**Turn2us is committed to the principle of equitable opportunities and treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.**

# Management and administration

**Patron**
HRH The Duchess of Gloucester

**Patron and President for Scotland**
Dr Mary, Dowager Countess of Strathmore (to June 2022)

**Chair**
Sally O'Sullivan (to 31 March 2022)
Carrie Stokes (from 1 April 2022)

**Deputy Chair**
Richard Midmer (to 30 June 2022)
Olivia Curno (resigned 10 August 2022)
Steven Hunter (from 15 August 2022)

**Treasurer**
Richard Midmer (to 31 March 2022)
Steven Hunter (from 1 April 2022)

**Trustees**
Richard Carter (resigned 30 June 2021)
Helen Chambers
Olivia Curno (resigned 10 August 2022)
Henry Elphick (resigned 30 June 2021)
Steven Hunter
Edwina Johnston
Sandy MacDonald (appointed 1 April 2022)
Richard Midmer (resigned 30 June 2022)
Tom Morgan
Sally O'Sullivan (resigned 31 March 2022)
Natasha Otero-Nevitt
Kalm Paul-Christian
Lord John Sharkey (resigned 10 January 2022)
Carrie Stokes (appointed 1 April 2022)
Jo Wickremasinghe

**Organisational Leadership Team**
Our executive team is responsible for planning, directing and controlling the activities of the charity as delegated by the trustees:

**Chief Executive:**
Thomas Lawson

**Director of Finance & Resources:**
Thomas Mathew

**Director of Impact & Innovation:**
Joanna Kerr

**Director of Income & External Affairs:**
Andrew Gould, Interim (March - July 2021)
Sadiya Shaikh (June 2021 - January 2022)
Claire McMaster (from April 2022)

**Director of Programmes & Partnerships:**
Sonya Ruparel (to 30 June 2022)

**Company Secretary:**
Thomas Mathew

**Auditor:**
Sayer Vincent LLP, Invicta House,
108-114 Golden Lane, London EC1Y 0TL

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

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

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

**Registered Office:**
Turn2us, Hythe House, 200 Shepherds Bush Road,
London W6 7NL

**Telephone:** 0208 834 9225

**Websites**
**www.turn2us.org.uk** and
**www.efhl.co.uk**

**Charity Commission Registration numbers:**
England & Wales 207812; Scotland SC040987

**Companies House Registration numbers:**
Elizabeth Finn Care, (working name Turn2us): 515297; Elizabeth Finn Homes Limited: 5225008; Elizabeth Finn Trading Limited: 3499586; Turn2us (dormant company): 06136422; Turntous Limited (dormant company): 06136521



# Statement of trustees' responsibilities

The trustees are also directors of Elizabeth Finn Care, operating as Turn2us. For the purposes of company law, the trustees 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).

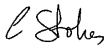
They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**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 2022 and signed on their behalf by:



**Name:** Carrie Stokes

**Title:** Chair of Trustees

**Date:** 21 September 2022

# 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 2022 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 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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**. 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: 29 September 2022**

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

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

| Year to 31 March 2022 | Notes | Unrestricted Funds 2022 | Restricted Funds 2022 | Endowment Funds 2022 | Total Funds 2022 | Total Funds 2021 |
|---|---|---|---|---|---|---|
| **Income And Endowments From:** | | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Donations and legacies:** | | | | | | |
| Donations | 3 | 499 | 341 | - | 840 | 3,029 |
| Legacies | 3 | 615 | - | - | 615 | 1,620 |
| **Charitable activities:** | | | | | | |
| Grants | | - | 452 | - | 452 | 649 |
| Trading activities for charitable benefit | | 44 | - | - | 44 | 58 |
| **Other trading activities:** | | | | | | |
| Residential and nursing care income | | 28,177 | 833 | - | 29,010 | 28,608 |
| **Investment Income:** | 4 | 468 | 417 | - | 885 | 901 |
| **Total income and endowments** | | 29,803 | 2,043 | - | 31,846 | 34,865 |
| **Expenditure** | | | | | | |
| **Expenditure on raising funds:** | | | | | | |
| Income generation | 5a | 611 | 11 | - | 622 | 524 |
| Residential and nursing care expenditure | 5a | 23,956 | 834 | - | 24,790 | 25,378 |
| Investment management costs | 5a | 135 | 73 | 7 | 215 | 295 |
| **Total Cost of Raising Funds** | | 24,702 | 918 | 7 | 25,627 | 26,197 |
| **Net income available for charitable activities** | | 5,101 | 1,125 | (7) | 6,219 | 8,668 |
| **Expenditure on Charitable activities:** | | | | | | |
| Support & Information Services (benefit calculator, grant search etc) | 5a | 2,646 | 538 | - | 3,184 | 2,591 |
| Assistance given to those in need (grants and allowances) | 5a | 2,760 | 1,524 | - | 4,284 | 4,612 |
| Casework | 5a | 1,484 | 286 | - | 1,770 | 1,599 |
| Trading activities for charitable benefit | 5a | 43 | - | - | 43 | 48 |
| **Expenditure in furtherance of charitable objectives** | | 6,933 | 2,348 | - | 9,281 | 8,850 |
| **Total expenditure** | | 31,635 | 3,266 | 7 | 34,908 | 35,047 |
| **Net (expenditure)/income for the year before investments gains and losses** | | (1,832) | (1,223) | (7) | (3,062) | (182) |
| **Net gains/(losses) on investments** | | | | | | |
| Net realised gains/(losses) on investments | 8 | 539 | 400 | 45 | 984 | (208) |
| Net unrealised gains/(losses) on investments | 8 | 819 | 529 | 21 | 1,369 | 17,763 |
| | | 1,358 | 929 | 66 | 2,353 | 17,555 |
| **Net income/(expenditure) for the year before transfers** | | (474) | (294) | 59 | (709) | 17,373 |
| Transfers between funds | | - | - | - | - | - |
| **Other recognised gains/(losses):** | | | | | | |
| Actuarial gains on defined benefit pension scheme | 17 | 485 | - | - | 486 | 146 |
| **Net movement in funds** | | 12 | (294) | 59 | (223) | 17,519 |
| **Reconciliation of funds:** | | | | | | |
| Funds Brought Forward | | 41,297 | 26,091 | 2,341 | 69,729 | 52,210 |
| | | | | – | – | – |
| **Total funds carried forward at 31 March 2022** | 12 | 41,309 | 25,797 | 2,400 | 69,506 | 69,729 |

All the above results are derived from continuing activities and this financial statement includes all gains and losses recognised in the year. The accompanying notes on pages 40 to 57 are an integral part of this financial statement.





## Comparative 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 |
|---|---|---|---|---|---|
| **Income And Endowments From:** | | £'000 | £'000 | £'000 | £'000 |
| **Donations and legacies:** | | | | | |
| Donations | 3 | 729 | 2,300 | - | 3,029 |
| Legacies | 3 | 1,620 | - | - | 1,620 |
| **Charitable activities:** | | | | | |
| Grants | | - | 649 | - | 649 |
| Trading activities for charitable benefit | | 58 | - | - | 58 |
| **Other trading activities:** | | | | | |
| Residential and nursing care income | | 27,599 | 1,009 | - | 28,608 |
| **Investment Income:** | 4 | 486 | 415 | - | 901 |
| **Total income and endowments** | | 30,492 | 4,373 | - | 34,865 |
| **Expenditure** | | | | | |
| **Expenditure on raising funds:** | | | | | |
| Income generation | 5a | 524 | - | - | 524 |
| Residential and nursing care expenditure | 5a | 24,369 | 1,009 | - | 25,378 |
| Investment management costs | 5a | 220 | 68 | 7 | 295 |
| **Total Cost of Raising Funds** | | 25,113 | 1,077 | 7 | 26,197 |
| **Net income available for charitable activities** | | 5,379 | 3,296 | (7) | 8,668 |
| **Expenditure on Charitable activities:** | | | | | |
| Support & Information Services (benefit calculator, grant search etc) | 5a | 2,117 | 474 | - | 2,591 |
| Assistance given to those in need (grants and allowances) | 5a | 2,498 | 2,114 | - | 4,612 |
| Casework | 5a | 1,071 | 528 | - | 1,599 |
| Trading activities for charitable benefit | 5a | 48 | - | - | 48 |
| **Expenditure in furtherance of charitable objectives** | | 5,734 | 3,116 | - | 8,850 |
| **Total expenditure** | | 30,847 | 4,193 | 7 | 35,047 |
| **Net income/(expenditure) before investments** | | (355) | 180 | (7) | (182) |
| **Net gains/(losses) on investments** | | | | | |
| Net realised gains/(losses) on investments | | 35 | (246) | 3 | (208) |
| Net unrealised gains/(losses) on investments | | 10,606 | 6,549 | 608 | 17,763 |
| | | 10,641 | 6,303 | 611 | 17,555 |
| **Net income/(expenditure) for the year before transfers** | | 10,286 | 6,483 | 604 | 17,373 |
| Transfers between funds | | - | - | - | - |
| **Other recognised gains/(losses):** | | | | | |
| Actuarial gains on defined benefit pension scheme | 17 | 146 | - | - | 146 |
| **Net movement in funds** | | 10,432 | 6,483 | 604 | 17,519 |
| **Reconciliation of funds:** | | | | | |
| Funds Brought Forward Restated | 19 | 30,865 | 19,608 | 1,737 | 52,210 |
| Disposal of Colchaven | | | | - | - |
| **Total funds carried forward at 31 March 2021** | | 41,297 | 26,091 | 2,341 | 69,729 |

## Group and Charity Balance Sheets as at 31 March 2022

| | Notes | Group 2022 | Group 2021 | Charity 2022 | Charity 2021 |
|---|---|---|---|---|---|
| | | £'000 | £'000 | £'000 | £'000 |
| **Fixed Assets** | | | | | |
| Tangible assets | 7 | 8,391 | 8,435 | 8,391 | 8,435 |
| Investments | 8 | 62,123 | 61,898 | 62,123 | 61,898 |
| **Total fixed assets** | | 70,514 | 70,333 | 70,514 | 70,333 |
| **Current Assets** | | | | | |
| Debtors | 9 | 1,425 | 761 | 582 | 188 |
| Cash at Bank and in hand | 10 | 1,067 | 1,740 | 279 | 429 |
| **Total current assets** | | 2,492 | 2,501 | 861 | 617 |
| **Liabilities** | | | | | |
| Amounts falling due within one year | 11 | (4,398) | (3,484) | (2,767) | (1,600) |
| **Net current liabilities** | | (1,906) | (983) | (1,906) | (983) |
| **Total assets less current liabilities** | | 68,608 | 69,350 | 68,608 | 69,350 |
| **Provisions for liabilities:** | | | | | |
| Defined benefit pension scheme asset | 17 | 898 | 379 | 898 | 379 |
| **Net assets** | 12 | 69,506 | 69,729 | 69,506 | 69,729 |
| **The funds of the charity:** | | | | | |
| Permanent Endowment | 12 | 2,400 | 2,341 | 2,400 | 2,341 |
| Restricted | 12 | 25,797 | 26,091 | 25,797 | 26,091 |
| Designated | 12 | 8,390 | 8,433 | 8,390 | 8,433 |
| Unrestricted Reserves | 12 | 32,919 | 32,864 | 32,919 | 32,864 |
| **Total charity funds** | 12 | 69,506 | 69,729 | 69,506 | 69,729 |

The accompanying notes on pages 40 to 57 are an integral part of these balance sheets.

Approved by the board of trustees on 21 September 2022 and signed on their behalf by:

**Carrie Stokes,**
Chair 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 2022

| | | 2022 | | 2021 |
|---|---|---|---|---|
| | | £'000 | | £'000 |
| **a) Reconciliation of net (expenditure)/income for the year to net cash inflow from operating activities:** | | | | |
| Net (expenditure)/income for the year before transfers | | (709) | | 17,373 |
| Dividend, interest and rental income shown in investing activities | | (885) | | (901) |
| Depreciation charge | | 137 | | 139 |
| Losses on disposal of fixed asset | | - | | 19 |
| (Gains)/ losses on investments | | (2,353) | | (17,555) |
| (Increase)/decrease in debtors | | (664) | | 657 |
| Increase/ (decrease) in creditors | | 914 | | 304 |
| **Net cash (used in)/provided by operating activities** | | (3,560) | | 36 |
| **Cash flows from investing activities:** | | | | |
| Dividends | 857 | | 870 | |
| Interest | - | | - | |
| Rental income | 28 | | 31 | |
| | | 885 | | 901 |
| Purchase of fixed assets | | (93) | | - |
| Purchase of investment securities | | (5,835) | | (12,331) |
| Receipts from sale of investment securities | | 7,209 | | 12,806 |
| Proceeds of sale of tangible fixed assets | | - | | - |
| Decrease/(increase) in short-term deposits held by investment managers | | 754 | | (246) |
| **Net cash provided by/(used in) investing activities** | | 2,920 | | 1,130 |
| Repayment to defined benefit pension scheme | | (33) | | - |
| **Net cash provided by/(used in) financing activities** | | (33) | | - |
| **Change in cash and cash equivalents in the year** | | (673) | | 1,166 |
| Cash and cash equivalents brought forward | | 1,740 | | 574 |
| **Cash and cash equivalents carried forward** | | 1,067 | | 1,740 |

Notes forming part of the financial statement

## 1 Status of Company

Elizabeth Finn Care (operating 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 30. All members, in the event of the company being wound up whilst they are members or within one year of their ceasing to be members, are required to contribute an amount not exceeding £1.

## 2 Accounting Policies

a) The charity's individual and consolidated financial statements have been prepared in accordance with the 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 in these financial statements and have been applied consistently throughout the year.

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

b) **Group Accounts**

These Financial Statements consolidate 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 Turntous Ltd.

c) **Income Recognition**

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

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

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

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.

cii) **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 the balance sheet date.

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)

## 2 Accounting Policies (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. Investment properties are measured at fair value at each balance sheet date.

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. Inflation and cost of living is expected to rise significantly in the foreseeable future, which could further put pressure on financial management.

The UK's decision to leave the European Union, the current instability of the British government, and the Russia-Ukraine war bring 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

| | 2022 Unrestricted Funds £'000 | 2022 Restricted Funds £'000 | 2022 Total £'000 | 2021 Unrestricted Funds £'000 | 2021 Restricted Funds £'000 | 2021 Total £'000 |
|---|---|---|---|---|---|---|
| **Donations** | | | | | | |
| Donations | 499 | 341 | 840 | 722 | 2,300 | 3,022 |
| County treasurers | - | - | - | 7 | - | 7 |
| | 499 | 341 | 840 | 729 | 2,300 | 3,029 |
| **Legacies** | 615 | - | 615 | 1,620 | - | 1,620 |
| | 1,114 | 341 | 1,455 | 2,349 | 2,300 | 4,649 |

In 2022 £nil donations or legacies received were endowments (2021: £nil).

The charity has received notification of four legacies with estimated future distributions of £206,000 (2021: £115,972), which have not been recognised as income as at 31 March 2022. They will be recognised when appropriate in future periods.

## 4 Investment Income

| | 2022 Unrestricted Funds £'000 | 2022 Restricted Funds £'000 | 2022 Total £'000 | 2021 Unrestricted Funds £'000 | 2021 Restricted Funds £'000 | 2021 Total £'000 |
|---|---|---|---|---|---|---|
| Property rent and services | 28 | - | 28 | 31 | - | 31 |
| Dividends | 440 | 417 | 857 | 455 | 415 | 870 |
| Interest on bonds and short-term deposits | - | - | - | - | - | - |
| | 468 | 417 | 885 | 486 | 415 | 901 |

## 5a Expenditure (year ended 31 March 2022)

| | CENTRAL SUPPORT COSTS | | | | | | | | DIRECT COSTS | 2022 ALL COSTS TOTAL | 2021 TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | CEO Office | Finance | Human Resource | IT | Property Services | Administration | Governance | Total | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Activities** | | | | | | | | | | | |
| Income Generation | 32 | 15 | 40 | 28 | 54 | 7 | 8 | 184 | 438 | 622 | 524 |
| Refurbishment and maintenance for the care homes* | - | - | - | - | - | - | - | - | 328 | 328 | 327 |
| Residential & nursing care expenditure* | - | - | - | - | - | - | - | - | 24,462 | 24,462 | 25,051 |
| Investment management | - | 32 | - | - | - | - | 6 | 38 | 177 | 215 | 295 |
| Support and information Services | 109 | 34 | 136 | 97 | 182 | 25 | 25 | 608 | 2,576 | 3,184 | 2,591 |
| Grants & allowances | - | - | - | - | - | - | - | - | 4,284 | 4,284 | 4,612 |
| Casework | 97 | 29 | 120 | 86 | 162 | 22 | 23 | 539 | 1,231 | 1,770 | 1,599 |
| Trading activities for charitable benefit | 3 | 2 | 3 | 2 | 4 | - | 5 | 19 | 24 | 43 | 48 |
| **Total** | 241 | 112 | 299 | 213 | 402 | 54 | 67 | 1,388 | 33,520 | 34,908 | 35,047 |

In 2021/2022 we awarded 3,821 grants. In 2020/21 we awarded 5,586 grants.

### Net income/(expenditure) for the year

This is stated after charging

| | 2022 £ | 2021 £ |
|---|---|---|
| Depreciation | 137,000 | 139,587 |
| Loss on disposal of fixed assets | - | - |
| **Operating lease rentals payable** | | |
| - Property | 304,360 | 302,460 |
| - Other | 70,296 | 69,624 |
| Auditors remuneration – audit of charity | 16,500 | 15,500 |
| Auditors remuneration – audit of subsidiaries | 16,500 | 15,800 |
| Auditors remuneration – defined benefit pension scheme audit | - | 3,500 |
| Auditors remuneration – tax advice & tax returns | 3,530 | 3,350 |
| Auditors remuneration – Audit, Risk & Governance Committee | 4,000 | 3,900 |

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

## 5b Prior year's comparative for expenditure (year ended 31 March 2021)

| | CENTRAL SUPPORT COSTS | | | | | | | | DIRECT COSTS | 2021 ALL COSTS TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| | CEO Office | Finance | Human Resource | IT | Property Services | Administration | Governance | Total | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Activities** | | | | | | | | | | |
| Income Generation | 26 | 23 | 21 | 16 | 44 | 2 | 5 | 137 | 387 | 524 |
| Refurbishment and maintenance for the care homes* | - | - | - | - | - | - | - | - | 327 | 327 |
| Residential & nursing care expenditure* | - | - | - | - | - | - | - | - | 25,051 | 25,051 |
| Investment management | - | 62 | - | - | - | - | 5 | 67 | 228 | 295 |
| Support and Information Services | 107 | 63 | 87 | 66 | 178 | 6 | 18 | 525 | 2,066 | 2,591 |
| Grants & allowances | - | - | - | - | - | - | - | - | 4,612 | 4,612 |
| Casework | 102 | 56 | 82 | 63 | 169 | 6 | 17 | 495 | 1,104 | 1,599 |
| Trading activities for charitable benefit | 3 | 2 | 2 | 2 | 4 | - | 4 | 17 | 31 | 48 |
| **Total** | 238 | 206 | 192 | 147 | 395 | 14 | 49 | 1,241 | 33,806 | 35,047 |

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





## 6 Trustees and staff

Aggregate staff costs are made up as follows:

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| Wages and salaries | 17,725 | 18,979 |
| Agency staff | 1,471 | 596 |
| Social security costs | 1,509 | 1,546 |
| Employer's contribution to defined contribution schemes | 832 | 863 |
| Other staff related costs | 129 | 131 |
| Redundancies and Terminations | 71 | 7 |
| | 21,737 | 22,122 |
| Operating costs of closed defined benefit scheme | (8) | (5) |
| | 21,729 | 22,117 |

The average number of employees, both full and part time, during the year was 713 (2021: 798), representing full-time equivalents of 640 (2021: 722)

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

| | 2022 Full-time | 2022 Part-time | 2021 Full-time | 2021 Part-time |
|---|---|---|---|---|
| In the Homes | 308 | 254 | 374 | 280 |
| **At Headquarters:** | | | | |
| Homes Department | 9 | - | 8 | - |
| Operations | 33 | 8 | 25 | 8 |
| Fundraising | 5 | 2 | 5 | 1 |
| Finance | 3 | 1 | 3 | 1 |
| IT | 2 | - | 2 | - |
| Human Resources | 6 | 1 | 6 | 1 |
| Chief Executive's Department and Communications | 8 | - | 8 | - |
| | 374 | 266 | 431 | 291 |

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

| | 2022 | 2021 |
|---|---|---|
| £60,001 to £70,000 | 9 | 12 |
| £70,001 to £80,000 | 3 | 3 |
| £80,001 to £90,000 | 1 | 2 |
| £90,001 to £100,000 | - | - |
| £100,001 to £110,000 | 1 | 1 |
| £130,001 to £140,000 | 1 | 2 |
| £140,001 to £150,000 | - | - |

Total pension contributions for all of the higher paid staff of Elizabeth Finn Care and Elizabeth Finn Homes Limited were £165,759 (2021: £179,171). These are all payments to defined contribution schemes - none of the higher paid staff were members of the closed defined benefit scheme.

The higher paid employees were four Directors from Turn2us, (2021: five), and eleven (2021: fifteen) senior commercial subsidiary staff.

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 £394,683 (2021: £474,724).

Trustees are not remunerated. Refreshments and reimbursement of travel expenses for the trustees attending meetings amounted to £149 in 2022. In 2021 no trustees were reimbursed for expenses.

Notes forming part of the financial statement (continued)

## 7 Tangible Fixed Assets

| | Freehold | | Furniture and Equipment | Mini Buses Motor Vehicles | IT Infrastructure | Total |
|---|---|---|---|---|---|---|
| | Land | Buildings | | | | |
| **Cost** | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 April 2021 | 1,685 | 10,260 | 35 | - | 204 | 12,184 |
| Additions | 61 | 32 | - | - | - | 93 |
| Disposals | - | - | - | | - | - |
| At 31 March 2022 | 1,746 | 10,292 | 35 | - | 204 | 12,277 |
| **Depreciation** | | | | | | |
| At 1 April 2021 | - | 3,532 | 18 | - | 199 | 3,749 |
| Disposals | - | - | - | | - | - |
| Charge for year | - | 135 | 2 | - | - | 137 |
| At 31 March 2022 | - | 3,667 | 20 | - | 199 | 3,886 |
| **Net Book Amount** | | | | | | |
| At 31 March 2022 | 1,746 | 6,625 | 15 | - | 5 | 8,391 |
| At 31 March 2021 | 1,685 | 6,728 | 17 | - | 5 | 8,435 |

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

## 8 Fixed Assets - Investments

| | Cash for investment | Listed Investments | Property | Group Total | Charity's shares in subsidiaries | Charity Total |
|---|---|---|---|---|---|---|
| **Market value:** | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 April 2021 | 1,228 | 55,583 | 5,087 | 61,898 | - | 61,898 |
| Additions at cost | - | 5,835 | - | 5,835 | - | 5,835 |
| Proceeds from disposals | - | (7,209) | - | (7,209) | - | (7,209) |
| Movement in cash | (754) | - | - | (754) | - | (754) |
| Net realised gains / (losses) | - | 984 | - | 984 | - | 984 |
| Net unrealised gains / (losses) | - | 809 | 560 | 1,369 | - | 1,369 |
| **At 31 March 2022** | **474** | **56,002** | **5,647** | **62,123** | **-** | **62,123** |

| **Listed investments at market value comprised :** | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| UK Listed equities | 13,749 | 15,104 |
| UK Fixed Interest investments | 1,602 | 1,396 |
| UK funds | 7,884 | 8,197 |
| Unlisted Investments | 30 | 28 |
| Overseas funds | 22,346 | 21,521 |
| Listed or regulated overseas | 10,391 | 9,337 |
| | 56,002 | 55,583 |

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.

## 9 Debtors

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Amount due from subsidiaries | - | - | 16 | 109 |
| Trade debtors | 746 | 580 | 52 | - |
| Other debtors | 17 | 1 | - | 1 |
| Prepayments and accrued income | 662 | 180 | 514 | 78 |
| | 1,425 | 761 | 582 | 188 |

## 10 Cash at Bank

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Cash at bank and in hand | 1,067 | 1,740 | 279 | 429 |

## 11 Creditors: Amounts falling due within one year

| | GROUP | | CHARITY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Amount due to subsidiaries | - | - | 1,724 | 879 |
| Trade creditors | 893 | 497 | 396 | 295 |
| Social security and other taxes | 389 | 367 | 69 | 67 |
| Accruals and deferred income* | 2,566 | 2,474 | 553 | 339 |
| Sundry creditors | 550 | 146 | 25 | 20 |
| | **4,398** | **3,484** | **2,767** | **1,600** |

| | GROUP | |
|---|---|---|
| ***Movement in Deferred Income** | **2022** | **2021** |
| | £'000 | £'000 |
| Amount brought forward | 643 | 770 |
| Increase in deferred income | 621 | 643 |
| Released in the year | (643) | (770) |
| Amount carried forward | 621 | 643 |

Notes forming part of the financial statement (continued)

## 12 Analysis of Group Net Assets as at 31 March 2022 between Funds

| | Permanent Endowment Funds | | | | Restricted Funds | | | | | | | | Designated Fund | Unrestricted Reserves | Total Funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Arthur Hurst Will Trust | Dresden Homes Trust | Other | Total | 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 | £'000 | £'000 | £'000 | £'000 |
| **Fixed assets** | | | | | | | | | | | | | | | |
| Tangible fixed assets | - | - | - | - | - | - | - | - | - | - | - | - | 8,390 | - | 8,390 |
| Investments | 1,046 | 1,342 | 12 | 2,400 | 19,579 | - | 61 | 31 | 5,669 | - | - | 25,340 | - | 34,384 | 62,124 |
| Net current assets/(liabilities) | - | - | - | - | (425) | - | 1 | 231 | 367 | 217 | 66 | 457 | - | (2,363) | (1,906) |
| Actuarial unrealised pension asset | - | - | - | - | - | - | - | - | - | - | - | - | - | 898 | 898 |
| **Net assets** | 1,046 | 1,342 | 12 | 2,400 | 19,154 | - | 62 | 262 | 6,036 | 217 | 66 | 25,797 | 8,390 | 32,919 | 69,506 |
| **Funds** | | | | | | | | | | | | | | | |
| At 1 April 2021 | 1,019 | 1,310 | 12 | 2,341 | 18,803 | 812 | 70 | 243 | 5,845 | 221 | 97 | 26,091 | 8,433 | 32,864 | 69,729 |
| Income | - | - | - | - | 329 | 1 | 17 | 21 | 88 | 5 | 750 | 1,211 | - | 31,105 | 32,316 |
| Expenditure | (4) | (4) | - | (8) | (746) | (813) | (25) | (4) | (55) | (9) | (781) | (2,433) | - | (32,936) | (35,377) |
| Gains/(losses) | 31 | 36 | - | 67 | 768 | - | | 2 | 158 | | | 928 | - | 1,843 | 2,838 |
| **Transfers between funds** | - | - | - | - | - | - | - | - | - | - | - | - | (43) | 43 | - |
| **At 31 March 2022** | 1,046 | 1,342 | 12 | 2,400 | 19,154 | - | 62 | 262 | 6,036 | 217 | 66 | 25,797 | 8,390 | 32,919 | 69,506 |

## Permanent Endowments

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

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

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

## Restricted Funds

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

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

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

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

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

**Homes' Amenity funds**: Funds have been raised or given over the years 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 2022 with the 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 £3,190,000 (2021: £3,663,843) for the use of its properties and office premises and recharged staff costs of £46,613 (2021: £31,976).

At 31st March 2022 EFC owed EFHL a net balance of £1,723,579 (2021: £879,397) – see note 11.

During the year Elizabeth Finn Care recharged EFTL staff costs of £24,256 (2021: £23,812).

At 31st March 2022 EFTL owed EFC a net balance of £15,642 (2021: £109,009) – see note 9.

### b) Financial activities of the Charity

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| Gross incoming resources | 5,982 | 9,864 |
| Elizabeth Finn Trading covenant due | 16 | 23 |
| Elizabeth Finn Homes Limited covenant due | 1,827 | 436 |
| | 7,825 | 10,323 |
| **Expenditure on raising funds:** | | |
| Income generation | (622) | (524) |
| Landlord refurbishment/maintenance of care homes | (328) | (327) |
| Investment management costs | (215) | (296) |
| **Expenditure on Charitable activities:** | | |
| Support & Information Services (Benefits Calculator, Grants Search, etc) | (3,184) | (2,591) |
| Assistance given to those in need (grants and allowances) | (4,752) | (5,154) |
| Casework | (1,770) | (1,599) |
| Trading activities for charitable benefit | (16) | (14) |
| Net (expenditure)/ income | (3,062) | (182) |
| Investment gains/ (losses) | 2,353 | 17,555 |
| Actuarial gains on defined benefit pension scheme | 486 | 146 |
| Net income/ (expenditure) for the year | (223) | 17,519 |
| Total funds brought forward | 69,729 | 52,210 |
| Total funds carried forward | 69,506 | 69,729 |

### c) Financial activities of Elizabeth Finn Homes Limited

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| Income | 29,479 | 29,151 |
| Cost of services | (27,652) | (28,715) |
| Net surplus | 1,827 | 436 |
| Covenant to charity | (1,827) | (436) |
| Retained surplus | - | - |
| Current assets | 3,075 | 1,401 |
| Current liabilities | (3,075) | (1,401) |
| Net assets (in £) | 2 | 2 |
| Share capital (in £) | 2 | 2 |

### d) Elizabeth Finn Trading Limited

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| Turnover | 44 | 58 |
| Cost of sales | (24) | (31) |
| **Gross profit** | 20 | 27 |
| Administrative costs | (4) | (4) |
| **Operating profit** | 16 | 23 |
| Interest income | - | - |
| **Profit / (loss) before and after tax** | 16 | 23 |
| Covenant payment to Elizabeth Finn Care | (16) | (23) |
| Retained profit / (loss) | - | - |
| Loss brought forward | - | - |
| Total reserves carried forward | - | - |
| Current assets | 41 | 148 |
| Current liabilities | (41) | (148) |
| **Net assets (in £)** | - | - |
| Share capital (in £) | 2 | 2 |
| Reserves | - | - |
| **Total Funds (in £)** | 2 | 2 |

## 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 | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Less than one year | 457 | 362 | 68 | 75 |
| One to five years | 686 | 1,139 | 58 | 99 |
| Over five years | - | - | - | - |
| | 1,143 | 1,501 | 126 | 174 |

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

| | Property | | Equipment | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Less than one year | 457 | 362 | 1 | 1 |
| One to five years | 686 | 1,139 | - | 1 |
| Over five years | - | - | - | - |
| | 1,143 | 1,501 | 1 | 2 |

## 16 Volunteers

During the financial year of 2021-2022, we took the opportunity to review the all volunteering activities, which were put on hold the previous year due to the pandemic and made the decision to discontinue the visiting service for the foreseeable future. This decision was informed by a number of factors, including:

- the stringent safeguarding requirements to bring visits in line with our then newly implemented policies
- the resourcing required to manage the necessary DBS checks and training
- the input of grantees – respondents to a survey carried out in late 2020 were split three ways between those who liked the visits, those who were indifferent and those who felt it was an intrusive imposition

Subsequently, we then contacted all the current volunteer visitors to let them know that we have discontinued the volunteer visitors service and that we have no plans to reopen it.

We continue to work towards the goal of supporting local community services and their own volunteers through our services but have integrated this approach into the new Information Programmes strategy and the new Local Programmes team.

## 17 Defined benefit pension scheme

The charity has two pension schemes; one is the defined benefit scheme (the Scheme) which was closed to new members in 2001 and the other is the stakeholder pension scheme, which is open to all employees of the Charity and its subsidiary, Elizabeth Finn Homes Limited.

FRS102, paragraphs 28.9 to 28.26 requires the Charity to include in its own accounts the net assets or liabilities based on fair values of the defined benefit pension scheme. The standard also requires the net operating cost of providing the retirement benefits to current staff members and finance costs or income to be included in the Charity's accounts. The SOFA meets the reporting requirements and the value of the Scheme's liabilities has been determined by the Scheme's actuary based on the results of the full actuarial valuation that was carried out as at 1 July 2020. The scheme was closed to future accrual on 31 March 2013.

The most recent triennial (dated 30 June 2020) identified a deficit of £533,000 on the defined benefit scheme. This differs from the net asset position as per the balance sheet in the statutory accounts and the reporting disclosures in this financial statement provided by the actuary. This is due to the different assumptions used by the actuary for the statutory accounts reporting and for the triennial valuation. The trustees of Turn2us have agreed to a 10-year repayment plan to help finance the pension deficit, of which £33,000 has been paid as at 31 March 2022.

For statutory accounts reporting purposes, we have continued to disclose the net pension assets as provided by the actuary in line with the FRS102 requirement.





| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Increases for pensions in payment:** | | |
| Post 31 October 2006 (RPI max. 5%) | 3.50% | 3.10% |
| Pre 31 October 2006 (RPI max. 2.5%) | 2.30% | 2.10% |
| Liability discount rate | 2.80% | 2.10% |
| Inflation assumption (RPI) | 3.80% | 3.30% |
| Consumer Price Inflation | 3.30% | 2.80% |
| Deferred pension revaluation (CPI 2.5% cap) | 3.30% | 2.50% |
| Deferred pension revaluation (CPI 5% cap) | 3.80% | 2.80% |
| **Assuming retirement at age 65, the life expectancy in years is as follows:** | | |
| For a male aged 65 now | 21.5 | 21.4 |
| At 65 for a male member aged 45 now | 22.8 | 22.7 |
| For a female aged 65 now | 23.2 | 23.1 |
| At 65 for a female member aged 45 now | 24.7 | 24.7 |

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 2022 | As at 31 March 2021 |
|---|---|---|
| | £'000 | £'000 |
| Total market value of assets | 4,675 | 4,387 |

### Net Defined Benefit Liability

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| | £'000 | £'000 |
| Total market value of assets | 4,675 | 4,387 |
| Value of funded obligations | (3,777) | (4,008) |
| Net pension (liability)/asset | 898 | 379 |

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:**

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Defined benefit obligation | (3,777) | (4,008) | (3,388) | (3,850) | (3,590) |
| Plan assets | 4,675 | 4,387 | 3,621 | 3,660 | 3,467 |
| Surplus / (deficit) | 898 | 379 | 233 | (190) | (123) |

## Acknowledgements

### Pro bono support

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- Frances Jackson and OPX
- Gill Thomas
- Peter McCorkell, Sidley Austin Solicitors

### Corporate Supporters

- Cadent Gas
- Lloyds Banking Group
- Oakley Advisory Group
- Royal London Group
- TSB Bank
- United Utilities
- Virgin Money

### Trusts and Foundations

- Anson Charitable Trust
- Arthur James Paterson Foundation
- Casa Stella Trust
- CAST Catalyst 2
- Copley May Foundation
- Fernie Team Chase
- G M Morrison Charitable Trust
- Ganzoni Charitable Trust
- Hugh Fraser Foundation
- J N Derbyshire Trust
- Jenour Foundation
- John Swire 1989 Charitable Trust
- Nesta Foundation
- Normanby Charitable Trust
- Oak Philanthropy UK
- Oakdale Trust
- Ofenheim Charitable Trust
- Paul Bassham Charitable Trust
- Pollards Trust
- Scott Eredine Charitable Trust
- Sir Donald and Lady Edna Wilson Charitable Trust
- Sir James Steel's Trust
- Wates Family Enterprise Trust

### Legacies

- Addleshaw Trust
- Anthony Hunter
- Anthony Mayes
- Baroness Camburn
- Baroness Downes-Powell
- Bartlett discretionary Trust
- British Country Inns
- Camilla Pardoe
- Claude Reed
- Colman, Will Trust
- Dorothea Hannay
- Dorothy Strafford
- Eastley, C M Will Trust
- Enid Yvonne Hardy
- Gerry Glyde
- Iris Blake
- Jane Crawshay
- Jane Hollin
- John Purdhoe
- Joseph Woolwich
- KKL Charit Account
- MacLaren settlements
- Mary Cashmore
- Melbourne Trust
- Mollison, Brenda
- Mrs M Gordon
- Muriel Seed
- P M Simon-Wilding
- Rashleigh Trust
- Silver Estates
- Straaten Van
- Tania M Jeffery
- V N Pollard

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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 is the operating name for Elizabeth Finn Care, a charity registered in England and Wales No:207812; and in Scotland No: SC04098

All the people pictured in this document are Turn2us service users with lived experience of financial insecurity. We are grateful to each and every one of them for their generosity in agreeing to be photographed and sharing their stories with us.