



The Turning Point Trust

Report and Financial Statements

Year Ended 31st December 2011

UK Registered Charity Number 1091025

Reference and administrative information

Trustees (who all served throughout 2011 unless otherwise stated)

Peter Wichmann, Chair of Trustees
Paul Barnes (appointed 08/02/2011)
David Brown (resigned 10/03/2011)
Derek Button
Clare Harwood
Isabel King (appointed 14/09/2011)
Nan Macfarlane (resigned 08/02/2011)
Peter Stogden (resigned 08/06/2011)

Field Directors

Jon & Jo Parsons

Registered Address

Turning Point Trust
c/o Christ Church
Town Square
Woking
Surrey
GU21 1YG

UK Registered Charity Number

1091025

Bankers

CCLA, 80 Cheapside, London, EC2V 6DZ
The Co-operative Bank, PO Box 250, Skelmersdale, WN8 6WT
LloydsTSB, 32 Commercial Way, Woking, Surrey, GU21 6ER

Report of the Trustees for the year ended 31 December 2011

The Trustees present their annual report and financial statement for the charity for the year ended 31 December 2011. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005.

Structure, governance and management

The Trust is a registered charity, number 1091025, and is constituted under a trust deed dated 18 January 2002. According to the deed, the Trust was established “to relieve children in Kenya who are in need by reason of poverty, in particular children who are homeless, by providing and assisting in the provision of shelter, food, clothing, education and opportunities for personal development.” The Trust raises funds from a number of supporting churches and through a network of individual supporters.

The Trust funds the appointment of Field Directors and other UK staff to work in Kenya, as well as making donations to Turning Point Kenya, a registered NGO, for its work in the slums of Nairobi.

New trustees are appointed by existing trustees. All trustees give of their time freely and no remuneration was paid to trustees during the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

Risk management

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to mitigate those risks.

The key risks identified by the Trustees during this period were:-

- *Expenses running ahead of income.* Trustees continue to monitor this closely. During 2011 spending exceeded income, but at the year end the unrestricted funds continued to represent over four months of general expenditure.
- *Dependency on key staff.* There remains a key dependency on the Field Director. However the development of other staff, both UK and Kenyan, continues and will reduce this dependency over time.
- *Unrest in Kenya.* Whilst the Trust cannot directly influence this, Trustees are satisfied that everything reasonably possible has been done to mitigate the risk whilst still meeting the needs of the beneficiaries of the charity.

Objectives and activities for the public benefit

The objects of the Trust are to relieve children in Kenya who are in need by reason of poverty, in particular children who are homeless, by providing and assisting in the provision of shelter, food, clothing, education and opportunities for personal development.

The Trust carries out these objects by:

- making grants to Turning Point Kenya to support its work with children in the slums of Nairobi. This includes helping provide food, clothing, basic healthcare, access to education, and support for emotional and spiritual development; and
- providing Field Directors and other intern staff from the UK to work in Kenya to support and manage the work of Turning Point Kenya.

A review of achievements and performance

The work in Kibera, at the two centres in Mashimoni and Kianda, continued during 2011. The purchase and construction work to Centre 3 in Laina Saba was completed during the year with the Centre opening in early 2012. The number of children supported increased significantly during the year to 348 (2010: approximately 278), reflecting the vision of the organisation to expand its work in Kibera. The figure for 2011 is made up as follows:-

- 120 children in feeding programmes
- 18 children in School Preparation class
- 190 supported in Primary School
- 11 supported in Secondary School
- 8 supported in Vocational Training
- 1 supported at University

The Finance Programme, which makes very small loans to parents to enable them to establish small businesses and hence better provide for their children, was established in 2007. During 2011 this work expanded further and at the end of the year supported around 300 parents (2010: 120 parents). The direct costs of this programme are relatively small and consist mainly of the salary of an administrator (plus an assistant employed during the year to support expansion of the programme), plus a proportion of overhead and support costs.

Turning Point (Kenya) established a Farm at Kingangop, in the Rift Valley, in 2007, in order to provide the opportunity for some single mothers and their children to move out of the harsh environment of the slum. Seven families at the farm achieved independence in July 2011 – they are now living on their own single-acre plot, in a two-bedroomed house, subsistence farming. A second group of families from Kibera moved up to Kinangop in December 2011 to being the process of being trained and equipped to move to independence.

Financial Review

Incoming donations from individuals and churches has grown significantly in the year to £196,795 (2010: £165,553). In addition to this grants were received totalling £11,080 (2010: £22,712). Income from investments (interest on money held of deposit) was flat at £337 (2010: £269). Total income was up to £208,213 (2010: £188,534).

The cost of generating funds fell slightly to £26,187 (2010: £28,720).

Grants to Turning Point (Kenya) increased significantly to £138,034 (2010: £ 105,897). The notes disclose how these funds were used by Turning Point (Kenya).

The cost of providing staff, including Field Directors, decreased to £52,370 (2010: £61,483).

Governance costs fell to £2,972 (2010: £4,232).

Total expenses increased to £219,563 (2010: £200,331).

Total funds at the end of the year decreased to £62,776 (2010: £74,126). Of this figure, the amount representing restricted funds fell to £4,207 (2010: £11,432). The general fund as at 31st December is £58,569 which represents over 4 months of general activities.

Reserves Policy

It is the policy of the Trustees to maintain sufficient reserves to avoid short term cash flow issues, as well as to enable an effective response in the event of unexpected situations arising in Kenya. Equally, the Trustees do not expect or plan to build up large reserves, given the extensive needs in Kenya.

Plans for the future

During 2010 the Trustees completed a wide-ranging review and this delivered the following statement to describe the mission of the Trust:-

“Turning Point is a Christian charity working in the Nairobi slums. Our mission is to demonstrate God’s heart for the poor through programmes that relieve poverty, transform lives and restore hope amongst vulnerable children and their families.”

This statement continues to inform future planning. The Trustees aim to consolidate the work now underway in the three centres in Kibera, serving increasing numbers of children and young people, as well as strengthening the nature of that support. We also expect the numbers in the micro-finance programme to continue to grow. For the Farm project, we expect to consolidate the learning from the first group as the second group of families are supported through the programme over the next two years.

Trustees are planning to grow the income to support this increased work. This will be done by a variety of means including expanding the current supporter network and further appeals to grant-making trusts.

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustee's Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 of the Charities SORP;
- Make judgements and estimated that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and examined in the financial statements, and;
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the trustees on 9 July 2012 and signed on their behalf by:

Peter Wichmann, Chair of Trustees

Independent Examiner's Report to the Trustees of The Turning Point Trust

I report on the accounts of the Trust for the year ended 31st December 2011, which are set out on pages 8 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145 (5) (b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

Date 10/07/2012

Name

R W Dallimore

MSC, ACMA.

Address

70 Orchard Drive, Horsell, Woking, Surrey, GU21 4BS

The Turning Point Trust
Statement of Financial Activities
for the year ending 31 December 2011

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2011	Total Funds 2010
Incoming resources					
Donations from individuals / churches		154,170	42,625	196,795	165,553
Donations from grant making trusts		5,080	6,000	11,080	22,712
Investment income		338		338	269
Total incoming resources		159,588	48,625	208,213	188,534
Resources expended					
Costs of generating funds		26,187		26,187	28,720
<i>Charitable activities:</i>	4				
Grants to Turning Point (Kenya)		89,871	48,163	138,034	105,897
Staff costs		44,684	7,686	52,370	61,483
<i>Charitable activities sub-total</i>		134,555	55,849	190,404	167,380
Governance costs	5	2,972		2,972	4,232
Total resources expended		163,714	55,849	219,563	200,331
Net (outgoing) incoming resources before transfers		-4,126	-7,224	-11,350	-11,798
Transfers					
Net movement in funds		-4,126	-7,224	-11,350	-11,798
Total funds brought forward		62,695	11,431	74,126	85,924
Total funds carried forward		58,569	4,207	62,776	74,126

The Turning Point Trust
Balance Sheet as at 31 December 2011

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Prior Year
<i>Fixed assets:</i>					
Tangible assets		-	-	-	-
Investments		-	-	-	-
Total fixed assets		-	-	-	-
<i>Current Assets:</i>					
Debtors	7	6,628	-	6,628	13,669
Cash at bank and in hand		55,198	4,207	59,404	66,482
Total current assets		61,826	4,207	66,033	80,151
<i>Liabilities:</i>					
Creditors falling due within one year		757	-	757	3,525
Net current assets		61,069	4,207	65,276	76,626
Total assets less current liabilities		61,069	4,207	65,276	76,626
<i>Creditors: amounts falling due after more than one year</i>					
Creditors		-	-	-	-
Provisions	8	2,500	-	2,500	2,500
Net assets		58,569	4,207	62,776	74,126
<i>The funds of the charity:</i>					
Restricted income funds	9		4,207	4,207	11,431
Unrestricted income funds		58,569		58,569	62,695
Total charity funds		58,569	4,207	62,776	74,126

The notes at pages 10 to 13 form part of these accounts.

Approved by the trustees on 9 July 2012 and signed on their behalf by:

P Wichmann
Chairman of Trustees

Notes to the accounts

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 2011.

(b) Funds structure

The charity has no endowment funds. Restricted funds are to be used in accordance with specific instructions imposed by the donor. There are a number of restricted funds, details of which are described in note nn.

(c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

(d) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.

(e) Allocation of overhead and support costs

Overhead and support costs have been allocated first between costs of generating funds, charitable activities, and governance costs. Overhead and support costs relating to Charitable Activities have been proportioned according to how those overheads are used in support of the activities. The allocation of overhead and support costs is analysed in note 3.

(f) Costs of generating funds

The costs of generating funds consists of the costs of printing and distributing leaflets and newsletters, plus a proportion of the time of Field Directors and interns associated with fund-raising.

(g) Charitable activities

Costs of charitable activities include grants made to Turning Point Kenya, plus an apportionment of overhead and support costs as described in note 3.

(h) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include an apportionment of overhead and support costs.

(i) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historic cost. Depreciation is charged on equipment which is written off on a straight line basis over four years.

2. Related party transactions and trustee's remuneration

Trustees received no emoluments (2010: £Nil). Expenses in the year totalled £1,381 (2010: £1,627). This included payment of travel expenses to trustee meetings, a flight to Kenya for one trustee, plus expenses incurred by trustees on behalf of the charity.

3. Allocation of overhead and support costs

The breakdown of overhead and support costs and how these were allocated between Costs of generating funds, Charitable Activities and Governance costs is shown in the table below.

Cost type	Total allocated	Costs of generating funds	Charitable Activities	Governance Costs	Basis of apportionment
Field Directors	£59,438.50	£11,887.70	£44,578.87	£2,971.92	Staff time
Other staff costs	£11,749.58	£4,699.83	£7,049.75		Staff time
Office costs	£12,512.23		£12,512.23		Usage
Official fees & Accountant costs	£5,264.23		£5,264.23		Usage
Vehicle costs	£2,561.38		£2,561.38		Usage
Total	£91,525.92	£16,587.53	£71,966.46	£2,971.92	

The total support cost attributable to Charitable Activities is then apportioned in the same proportion as the other costs of the specific project undertaken in Kenya in that year, as this reflects reasonably the use of time and resources across these projects. This is shown in the table below.

Total costs	£
Mashimoni	7,152.29
Kianda	2,510.50
Silanga	175.82
Finance Programme	2,802.75
Holiday Camps	1,116.67
Farm	5,504.16
Laini Saba	1,075.66
Field Directors	44,578.87
Interns	7,049.75
Total allocated	<u>71,966.46</u>

4. Analysis of charitable activity

The trust undertakes its charitable activity through making grants to Turning Point Trust in Kenya, a registered NGO in Kenya, and by supplying Field Directors and other staff to assist with the management and resourcing of the work in Kenya.

Although the provision of staff is regarded here as a direct cost to Turning Point (UK), in practice some of the costs associated with this are channelled through Turning Point (Kenya). This is for practical reasons in that the costs are incurred in Kenya.

The table below shows how the funds directed to Turning Point (Kenya) have been used. In practice Turning Point (Kenya) receives some funding from sources other than Turning Point (UK). For these purposes, the split has been determined simply by showing the same proportion of costs as the total spend of Turning Point (Kenya) in that year.

	Direct charitable activity	Overhead costs	Field Director and Intern costs	Total Costs 2011	Total Costs 2010
Mashimoni	50,545	7,152		57,697	37,879
Kianda	5,577	2,510		8,088	9,657
Silanga	1,068	176		1,243	2,477
Finance Programme	3,851	2,803		6,654	3,779
Holiday Camps	8,116	1,117		9,232	7,968
Farm	41,341	5,504		46,846	11,749
Staff costs			44,684	44,684	56,479
Total	110,498	19,262	44,684	174,444	129,988

5. Analysis of Governance Costs

	Direct	Support	Total 2011	Total 2010
Trustee expenses	0		0	104
Meeting rooms	0		0	201
Flights from Kenya for Trustee meeting	0		0	405
Field Director time		2,972	2,972	3,217
Total	0	2,972	2,972	3,927

6. Analysis of Staff Costs

For these purposes the individuals viewed as staff are the Field Directors and other staff employed by Turning Point (UK). Local Kenyan staff are not included as they are employed by Turning Point (Kenya).

	2011	2010
Salaries and wages	42,585	49,252
Housing costs	11,609	12,767
Other costs	9,976	7,891
Total	64,170	69,910

The average number of full time employees through the year was 2 (2010: 2) with all employees providing direct support to Turning Point (Kenya) for the majority of their time. However some costs have been allocated to reflect time spent on Governance or fund-raising activity.

7. Analysis of current assets

The amounts showing as debtors represents amounts due in Gift Aid but not claimed, plus prepayment of health insurance.

8. Analysis of current liabilities and long term creditors

The provision is an allowance for emergency repatriation for staff from Kenya.

9. Analysis of charitable funds

	Balance b/f	Incoming resources	Resource expended	Transfers	Balance c/f
Farm	8,655	27,441	36,096	0	0
Finance Programme	750	2,085	2,835	0	0
Holiday Clubs	0	13,439	9,232	0	4,207
Emily Smith	2,026	5,660	7,686	0	0
Total	11,431	48,625	55,849	0	4,207

Emily Smith was previously regarded as an intern but has now become a full time employee of the UK Trust. As such the restricted fund used to pay her has now been closed, and those who were paying into this fund contacted to explain the change.

The restricted income for the Farm was substantial during the year, reflecting monies raised to enable the purchase of land for the first group of families to become independent.