



The Turning Point Trust

Report and Financial Statements

Year Ended 31st December 2013

UK Registered Charity Number 1091025

Reference and administrative information

Trustees (who all served throughout the year unless otherwise stated)

Peter Wichmann, Chair of Trustees

Paul Barnes

Clare Harwood

Isabel King

Jeremy Spanton

Steve Dew (appointed 04/12/2013)

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 2013

The Trustees present their annual report and financial statement for the charity for the year ended 31 December 2013. 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 2013 spending exceeded income. The trustees initiated appeals to grant making trusts as part of a strategy to mitigate this risk, as well as setting a budget for 2014 which reflected the expected income level from regular giving. This continues to be a high focus for trustees. The early part of 2014 is showing an improved position.
- *Dependency on key staff.* There remains a key dependency on the Field Directors. However the development of other staff in Kenya has made good progress in the last year and continues to 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

2013 was a year of consolidation, review and planning for the future for Turning Point. Our operations in Kibera continued with similar numbers of beneficiaries through our education, feeding and finance programmes.

The number of children supported remained relatively static during the year at 368 (2012: 391). The figure for 2013 is made up as follows (with 2012 numbers in brackets):-

- 144 (190) children receiving breakfast
- 108 (84) receiving lunch
- 31 (40) children supported in a pre-school programme
- 36 (35) children supported in School Preparation Class
- 30 (30) children supported in School Transition Class
- 245 (250) children supported in Primary School
- 22 (15) children supported in Secondary School
- 2 (4) young people supported in Vocational Training
- 1 (1) young person supported at nursing college
- 1 (1) young person supported at university

This totals more than 368 as some children are supported via more than one programme.

Education

In September 2013 we began planning to open our own primary school in Kibera, from January 2014. The reasons behind this move are:-

- to enable us to offer a more holistic education including not only core, academic subjects but also other subject areas such as arts, music and P.E., meaning that children receive an opportunity to develop other gifts and abilities.
- to enable the mentoring and caring relationships developed by our teachers and social workers through our specialist classes to be maintained throughout their time at primary school.
- to enable us to more closely monitor the progress and attendance of children to help avoid drop-outs, utilising our wider staff including social workers to help provide additional support to families where this is needed.

The plan is initially to operate the first four classes of primary, adding a class each subsequent

year until the full eight years are offered. The vision is that the school will provide a quality education, encouraging the full development of a child's gifts and abilities. School meals in the form of breakfast and lunch will also be provided each day.

Finance Programme

When we introduced our finance programme, it was only ever intended to fill a gap in provision of micro-finance to the poorest residents of Kibera. There are already many large micro-finance organisations, and we were not attempting to duplicate what is already offered by these other institutions. However, none of them are realistically available to the poorest, many of whom have little education or understanding of operating a business or the responsibilities involved in managing and repaying a loan.

Our finance programme successfully trains and prepares the poorest parents in Kibera for running their own business, and we are very pleased to report that 2013 saw the successful transition of 23 members to large micro-finance institutions. We have linked with two institutions to enable this, and the likelihood is that 2014 will see many more members make the transition across, enabling them to grow their businesses still further, in turn enabling them to support their own families to a higher level.

Staff Development

During 2013 the management have deliberately begun a programme of staff development, recognising the potential some of the local staff have to develop into leadership roles. To support this, a weekly leadership development and mentoring course has been run for four local employees, and an intensive 5-day course following the Growing Leaders material (CPAS) was provided by a UK trustee who has expertise in training. This course was attended by seven staff members.

In early 2014 we have restructured the management of the organisation to provide opportunities for some employees to take on positions of more responsibility and leadership.

Rural Relocation Programme

The second group of families to be relocated from Kibera to Kinangop successfully completed the second training stage of their transition to rural life, and in December became eligible to progress to the final, third stage. Due to financial constraints, we have been unable to purchase additional acreage for these families to relocate permanently on to; instead we have allocated 10 acres of our 31.5 acre plot, and early 2014 have subdivided this into single acre plots on which we have built individual homes for the families. Over the next 15 years each family will then gain full ownership rights to their acre of land.

Until the financial situation changes, we have temporarily halted this programme as, despite its success and the life-transforming benefits it brings to the families involved, it has become too expensive for Turning Point to maintain. We hope to look for a larger organisation who we can partner with in the future to enable this to continue.

Financial Review

Incoming donations from individuals and churches has grown in the year to £229,341 (2012: £206,715). In addition to this grants were received totalling £17,223 (2012: £37,653). Income from investments (interest on money held of deposit) was down to £41 (2012: £51). Total income was more or less static at £246,605 (2012: £244,419).

The cost of generating funds reduced to £24,493 (2012: £32,450), due to an decrease in staff costs associated with this activity.

Grants to Turning Point (Kenya) reduced somewhat to £184,762 (2012: £ 199,022). The notes disclose how these funds were used by Turning Point (Kenya). The reduction is due to the large one off payments made in 2012 associated with a fire in Laini Saba – the underlying trend is an increase in grants to Kenya.

The cost of providing staff, including Field Directors, decreased to £38,906 (2012: £50,491) as a higher percentage of their time was directly associated with other activities.

Governance costs increased to £8,455 (2012: £4,021) due to an increase in staff time associated with governance activities.

Total expenses fell to £256,616 (2012: £285,984), the fall being explained by the one off grants to Kenya made in 2012 associated with the fire in Laini Saba.

Total funds at the end of the year decreased to £11,200 (2012: £21,211). Of this figure, the amount representing restricted funds increased to £8,858 (2012: £15,608). The general fund as at 31st December was £2,342 which represents less than a month 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.

The contract between Turning Point and the Field Directors includes a potential financial liability for Turning Point at the end of their employment, but whether this exists depends on the nature of any termination of employment. Hence no figure has been allowed for in the accounts reported here.

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.

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 estimates 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 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 12 May 2014 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 2013, which are set out on pages 10 to 15.

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 12 May 2014

Name R W Dallimore MSC, ACMA.

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

**Statement of
Financial
Activities
for the year
ending 31
December 2013**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
Incoming resources					
Donations from individuals / churches		192,238	37,103	229,341	206,715
Donations from grant making trusts		12,223	5,000	17,223	37,653
Investment income		41		41	51
Total incoming resources		204,502	42,103	246,605	244,419
Resources expended					
Costs of generating funds		20,538	3,955	24,493	32,450
<i>Charitable activities:</i>	4				
Grants to Turning Point (Kenya)		139,864	44,898	184,762	199,022
Staff costs		38,906		38,906	50,491
<i>Charitable activities sub-total</i>		178,770	44,898	223,668	249,513
Governance costs	5	8,455		8,455	4,021
Total resources expended		207,763	48,853	256,616	285,984
Net (outgoing) incoming resources before transfers		-3,261	-6,750	-10,011	-41,565
Transfers between funds					
Net movement in funds		-3,261	-6,750	-10,011	-41,565
Total funds brought forward		5,603	15,608	21,211	62,776
Total funds carried forward		2,342	8,858	11,200	21,211

**The Turning
Point Trust
Balance Sheet
as at 31
December 2013**

	Not e	Unrestricted Funds	Restricted Funds	Total Funds	Prior Year
<i>Fixed assets:</i>					
Tangible assets		-	-	-	-
Investments		-	-	-	-
Total fixed assets		-	-	-	-
<i>Current Assets:</i>					
Debtors	7	1,761	-	1,761	2,597
Cash at bank and in hand		4,304	8,858	13,162	21,870
Total current assets		6,065	8,858	14,923	24,467
<i>Liabilities:</i>					
Creditors falling due within one year		1,223	-	1,223	757
Net current assets		4,842	8,858	13,700	23,711
Total assets less current liabilities		4,842	8,858	13,700	23,711
<i>Creditors: amounts falling due after more than one year</i>					
Creditors		-	-	-	-
Provisions	8	2,500	-	2,500	2,500
Net assets		2,342	8,858	11,200	21,211
<i>The funds of the charity:</i>					
Restricted income funds	9		8,858	8,858	15,608
Unrestricted income funds		2,342		2,342	5,603
Total charity funds		2,342	8,858	11,200	21,211

The notes at pages 12 to 15 form part of these accounts.

Approved by the trustees on 13 July 2013 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 9.

(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 that is written off on a straight line basis over four years. (There have been no additions in the last five years.)

2. Related party transactions and trustee's remuneration

Trustees received no emoluments (2012: £Nil). Expenses in the year totalled £486 (2012: £1,344).

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	Costs of generating funds	Charitable Activities	Governance Costs	Total allocated	Basis of apportionment
Field Directors	£8,455	£67,638	£8,455	£84,547	Staff time
Other staff	£4,582	£13,745		£18,326	Staff time
Office costs	£1,698	<u>£15,281</u>		£16,979	Usage
Official fees & Accountant costs		£14,436		£14,436	Usage
Vehicle costs		<u>£3,771</u>		£3,771	Usage
Total	£14,734	<u>£114,871</u>	£8,455	£138,060	

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	28,260
Kianda	8,062
Finance Programme	7,396
Holiday Camps	4,069
Farm	13,524
Laini Saba	15,160
Field Directors	33,819
Interns	4,582
Total allocated	<u>114,871</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 2013	Total Costs 2012
Mashimoni	64,047	28,260		92,307	82,076

Kianda	13,847	8,062		21,909	19,361
Silanga	0	0		0	678
Finance Programme	6,760	7,396		14,156	13,850
Holiday Camps	12,495	4,069		16,564	2,598
Farm	5,511	13,524		19,035	34,756
Laini Saba	5,631	15,160		20,790	45,703
Grants to Turning Point Kenya	108,291	76,471	0	184,762	199,022
Staff costs			38,906	38,906	50,491
Total	108,291	76,471	38,906	223,668	249,513

5. Analysis of Governance Costs

	Direct	Support	Total 2013	Total 2012
Field Director time		8,455	8,455	2,972
Total	0	8,455	8,455	2,972

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).

	2013	2012
Salaries and wages	68,593	62,646
Housing costs	11,847	12,042
Other costs	18,923	17,695
Total	99,363	92,383

The average number of full time employees through the year was 2 (2012: 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
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Farm	0	27,393	19,035	0	8,358
Finance Programme	1,061	890	1,951	0	0
Sylvester & David	0	810	810	0	0
School	0	7,900	7,900	0	0
Kianda	0	0	0	0	0
Holiday Clubs	9,092	3,675	12,767	0	0
Laini Sabi fire	1,500	0	1,500	0	0
Fundraising	3,955	0	3,955	0	0
Aswani, Yusef & Florence	0	925	925	0	0
Parsons	0	10	10	0	0
TP staff	0	500	0	0	500
Total	15,608	42,103	48,853	0	8,858