



# The Turning Point Trust

Report and Financial Statements

Year Ended 31<sup>st</sup> December 2015

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

### **UK Directors**

Jon & Jo Parsons

### **Registered Address**

Turning Point Trust

c/o Christ Church

Jubilee Square

Woking

Surrey

GU21 6YG

### **UK Registered Charity Number**

1091025

### **Bankers**

CCLA, Senator House, 85 Queen Victoria St, London EC4V 4ET

The Co-operative Bank, PO Box 250, Skelmersdale, WN8 6WT

### **Report of the Trustees for the year ended 31 December 2015**

The Trustees present their annual report and financial statement for the charity for the year ended 31 December 2015. 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 follow the Statement of Recommended Practice for Smaller Charities FRSSE SORP.

## 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 UK Directors and other UK staff work who in Kenya, as well as making donations to Turning Point Kenya, 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.

Turning Point Kenya is registered as an NGO (non-governmental organisation) with the Kenya NGO Board. There are currently six Directors of Turning Point Kenya, including Peter Wichmann and Paul Barnes, who are also Trustees of Turning Point in the UK. The Trustees believe that this is helpful in providing assurance and continuity across the two legal entities.

## 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 2015 income exceeded expenditure, allowing a small improvement in the reserves position. This continues to be a high focus for trustees. Operational changes in 2016 and beyond are expected to reduce some costs whilst also allowing an increased focus on fundraising activity in the UK.
- *Dependency on key staff.* This risk has been significantly mitigated in the last few years due to a focus on internal staff development.
- *Unrest in Kenya.* Whilst the Trust cannot directly influence this, the 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;
- paying for work in the UK to raise awareness and funding, and
- providing staff from the UK to work in Kenya to support the work of Turning Point Kenya.

### **A review of achievements and performance**

2015 was a positive year for Turning Point in Kenya. We successfully transitioned 26 children from Preparatory and Transition classes at our Kianda Children's Centre and they have now joined the Fountains of Hope Primary School. In January, the Fountains of Hope School became a completely free school for the most vulnerable children in Kibera. The children made excellent progress in the core subjects in the Kenyan syllabus, thanks to a teacher:pupil ratio of no more than 1:20 and a conducive learning environment.

We involve the parents of these children by asking them to attend and participate in all parents-teacher meetings including the annual parenting course run by our social work department. In 2015, most of the parents attended and participated in the meetings. 69 out of 100 targeted parents successfully completed their parenting course.

Beyond the academics, we continued providing daily meals to the children, have discipleship workshops every week and enjoy art, music and drama classes. 70 Children received free quality primary education in 2015.

In December, we replaced our mud and iron sheet structures at the Fountains of Hope school with new two-storey buildings. These buildings provide 15 rooms including eight classrooms, a creative arts room and an I.T. suite, and five offices for various staff and the microfinance programme. There is also a refurbished kitchen and assembly hall that the Mashimoni Outreach Community Church, our long-term partner, uses for their Sunday meetings.

We have continued to support children in Government primary schools where the Fountains of Hope Primary School has not been able to include them. During 2015, 89 children were supported with uniform, school fees, and lunch at primary school. 56 children were also supported with fees at secondary school.

In the August school holidays, we took 90 upper primary school students aged 12-16 away for the annual Holiday Camps. The children enjoyed a jam-packed schedule of Bible teaching and small group discipleship, drama, crafts, sports, games and swimming. During the same month we took 56 secondary school students out to the Ngong Hills for a picnic and seminar.

Turning Point's Library serves the community in the Kibera village of Laini Saba, particularly primary school pupils from the surrounding schools. The library runs a popular homework club used by around 30 children daily. During school holidays the library attracted as many as 70 visitors per day. The Library hosted the second inter-school spelling competition in October. Eight Kibera schools entered teams to compete for the trophy.

During 2015 the Turning Point Finance Programme (TPFP) team recruited 100 new members across the three centres in Laini Saba, Mashimoni and Kianda in Kibera. Meanwhile, 47 members graduated out of the top of the programme and joined Kiva, an online lending platform, to gain larger loans and continue building their businesses. The programme gave out a total of £16,258 in loans to build small businesses in Kibera in 2015 and supported over 350 parents to grow a stable income for their families.

Towards the end of the year we established new partnerships with two Kenyan youth-led organisations. ONWARDS Kenya will be helping to get more books for our library and mobilising volunteers to help children with homework in the library. Colour My World Kenya now works with us to run art clubs for the children in our centres. It is really exciting to be working with young Kenyans who want to serve their communities.

In January 2016, we rolled out our monitoring and evaluation plan. Our staff are fully involved in the M&E process because we want to establish a culture of participation, reflection and improvement in our work.

Finally, in Kenya we achieved a smooth handover of the CEO role from Jon Parsons to Judy Akoth. Judy fully took up the role in January 2015.

For Turning Point in the UK, our main role is to raise funds for the work in Kenya. We were pleased to be able to increase the funds given to Turning Point in Kenya very significantly. A large part of this increase was due to a legacy of £50,000 which we used to support the building of the new school premises referred to above. Jon and Jo Parsons continued in their new UK based role, supporting us by raising funds and awareness amongst both existing and new supporters of our work.

## **Financial Review**

Incoming donations from individuals and churches increased in the year to £256,035 (2014: £176,538). In addition to this grants were received totalling £21,462 (2014: £27,490). Income from investments (interest on money held of deposit) was down slightly at £27 (2014: £50). Total income was therefore increased at £277,523 (2014: £204,078).

The cost of generating funds increased to £33,953 (2014: £17,531), due to an increase in staff costs associated with this activity.

Grants to Turning Point (Kenya) increased to £213,173 (2014: £143,170). The notes disclose how these funds were used by Turning Point (Kenya).

The cost of providing staff, including UK Directors, decreased to £12,120 (2014: £26,998).

Governance costs decreased to £4,768 (2014: £6,405).

Total expenses increased to £264,013 (2014: £194,104).

Total funds at the end of the year increased to £34,684 (2014: £21,174). Of this figure, the amount representing restricted funds remained at £0. The general fund as at 31st December 2015 was £34,684 which represents 48 days of general activities, up from 40 days as at 31st December 2014.

### **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 Rural Relocation project, we are looking for ways to continue this based on the success with the first two groups, however given the significant costs this is likely to need support from a larger partner organisation.

The Trustees are planning to grow the income to support this increased work. The re-location of the UK Directors to the UK is partly aimed at increasing the focus on awareness and fundraising.

### **Trustees’ responsibilities in relation to the financial statements**

The Trustees are responsible for preparing the Trustees’ Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards. The trustees have decided to prepare accounts on an accrual basis which will therefore 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 2016 and signed on their behalf by:

Peter Wichmann, Chair of Trustees

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

Report to the trustees of Turning Point Trust on accounts for the year ended 31<sup>st</sup> December 2015, charity number 1091025, set out on pages 9 to 14.

### ***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 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 Charities 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 the 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 13 May 2016

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 2015**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
<b>Incoming resources</b>					
Donations from individuals / churches		249,774	6,261	256,035	176,538
Donations from grant making trusts		21,462		21,462	27,490
Investment income		27		27	50
<b>Total incoming resources</b>		<b>271,262</b>	<b>6,261</b>	<b>277,523</b>	<b>204,078</b>
<b>Resources expended</b>					
Costs of generating funds		33,953		33,953	17,531
<i>Charitable activities:</i>	4				
Grants to Turning Point (Kenya)		206,912	6,261	213,173	143,170
Staff costs		12,120		12,120	26,998
<i>Charitable activities sub-total</i>		<b>219,032</b>	<b>6,261</b>	<b>225,293</b>	<b>170,168</b>
Governance costs	5	4,768		4,768	6,405
<b>Total resources expended</b>		<b>257,752</b>	<b>6,261</b>	<b>264,013</b>	<b>194,104</b>
<b>Net (outgoing) incoming resources before transfers</b>		<b>13,510</b>	<b>0</b>	<b>13,510</b>	<b>9,974</b>
Transfers between funds					
<b>Net movement in funds</b>		<b>13,510</b>	<b>0</b>	<b>13,510</b>	<b>9,974</b>
Total funds brought forward		21,174	0	21,174	11,200
<b>Total funds carried forward</b>		<b>34,684</b>	<b>0</b>	<b>34,684</b>	<b>21,174</b>

**The Turning Point Trust**  
**Balance Sheet as at 31 December 2015**

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Prior Year
<i>Fixed assets:</i>					
Tangible assets		-	-	-	-
Investments		-	-	-	-
<b>Total fixed assets</b>		-	-	-	-
<i>Current Assets:</i>					
Debtors	7	1,606	-	1,606	1,259
Cash at bank and in hand		33,370	-	33,370	21,316
<b>Total current assets</b>		34,976	-	34,976	22,574
<i>Liabilities:</i>					
Creditors falling due within one year		292	-	292	400
<b>Net current assets</b>		34,684	-	34,684	22,174
<b>Total assets less current liabilities</b>		34,684	-	34,684	22,174
<i>Creditors: amounts falling due after more than one year</i>					
Creditors		-	-	-	-
Provisions	8	-	-	-	1,000
<b>Net assets</b>		34,684	-	34,684	21,174
<i>The funds of the charity:</i>					
Restricted income funds	9		-	-	-
Unrestricted income funds		34,684		34,684	21,174
<b>Total charity funds</b>		34,684	-	34,684	21,174

The notes at pages 11 to 14 form part of these accounts.

Approved by the trustees on 12 May 2016 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 (Financial Reporting Standard for Smaller Entities (FRSSE) issued in May 2014) 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 Turning Point (Kenya) and 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 UK Directors and other staff 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.) All assets in Kenya are under the control and management of Turning Point (Kenya).

## 2. Related party transactions and trustee's remuneration

Trustees received no emoluments (2014: £Nil). Expenses in the year totalled £989 (2014: £824).

## 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
UK Directors	£15,119	£18,898	£3,780	£37,797	Staff time
Other staff	£6,915	£11,855		£19,758	Staff time
Office costs	£4,016	£36,145		£40,161	Usage
Official fees & Accountant costs		£19,642		£19,642	Usage
Vehicle costs		£5,920		£5,920	Usage
<b>Total</b>	<b>£26,050</b>	<b>£92,461</b>	<b>£4,768</b>	<b>£123,278</b>	

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.

<b>Total costs</b>	<b>£</b>
Mashimoni	15,615
Kianda	8,697
Fountains of Hope School	£27,227
Finance Programme	7,712
Holiday Camps	6,939
Farm	2,964
Laini Saba	10,078
Field Directors	13,229
<b>Total allocated</b>	<b>92,461</b>

## 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, by employing UK Directors to promote the work, and by supplying 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.

	<b>Direct charitable activity</b>	<b>Overhead costs</b>	<b>UK Director and Staff costs</b>	<b>Total Costs 2015</b>	<b>Total Costs 2014</b>
Mashimoni	58,576	15,615		74,191	60,098
Kianda	18,185	8,697		26,882	15,242
Fountains of Hope School	30,521	27,227		57,748	0
Finance Programme	9,322	7,712		17,034	10,247
Holiday Camps	5,588	6,939		12,526	5,159
Farm	0	2,964		2,964	30,214
Laini Saba	11,750	10,078		21,828	16,858
Silanga	0	0		0	5,353
Grants to Turning Point Kenya	133,941	79,232	0	213,173	143,170
Staff costs			12,120	12,120	26,998
<b>Total</b>	<b>133,941</b>	<b>79,232</b>	<b>12,120</b>	<b>225,293</b>	<b>170,168</b>

### 5. Analysis of Governance Costs

	<b>Direct</b>	<b>Support</b>	<b>Total 2015</b>	<b>Total 2014</b>
UK Director time		3,780	3,780	6,405
Total	0	3,780	3,780	6,405

### 6. Analysis of Staff Costs

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

	<b>2015</b>	<b>2014</b>
Salaries and wages	46,433	57,400
Housing costs	2,782	5,220
Other costs	656	7,966
<b>Total</b>	<b>49,871</b>	<b>70,586</b>

The average number of full time employees through the year was 2 (2014: 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.

## 8. Analysis of current liabilities and long term creditors

The provision is an allowance for National Insurance contributions payable to HMRC.

## 9. Analysis of charitable funds

	Balance b/f	Incoming resources	Resource expended	Transfers	Balance c/f
Farm	0	15	15	0	0
Finance Programme	0	1,072	1,072	0	0
Bibles	0	55	55	0	0
School	0	1,100	1,100	0	0
Stationery	0	15	15	0	0
Holiday Clubs	0	3,793	3,793	0	0
Art supplies	0	10	10	0	0
Library books	0	6	6	0	0
Feed for children	0	150	150	0	0
Football	0	45	45	0	0
Total	0	6,261	6,261	0	0