



# The Turning Point Trust

Report and Financial Statements

Year Ended 31<sup>st</sup> December 2014

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 Hse, 85 Queen Victoria St, London EC4V 4ET

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 2014**

The Trustees present their annual report and financial statement for the charity for the year ended 31 December 2014. 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 2014 income exceeded expenditure, allowing a small improvement in the reserves position. This continues to be a high focus for trustees. Operational changes in 2015 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**

In last year's annual report, we described 2013 as a year of consolidation, review and planning for the future of Turning Point. During 2014 we saw the results of that process as our work became very clearly focussed on two areas: education and microfinance.

We continued to provide our School Preparation Class and School Transition Class, enabling children from the streets, and at risk of going to the streets, to access education, and to prepare them for enrolment in formal school. In 2014 these classes, which now have a proven track record successfully transitioning kids who had previously been out of school, became the focus of our centre in the Kianda area of Kibera. During the year this centre successfully prepared 30 children to enter mainstream education.

At our main centre in the Mashimoni area of Kibera, we implemented the boldest change to our work, establishing the Fountains of Hope Primary School, which in 2014 catered for the first four years of primary education. Up until this point Turning Point had supported children to attend government schools. However, our review in 2013 highlighted some reasons this needed to change:

1. Children were initially attending school eagerly, but many were dropping out after some time.
2. We had no opportunity to develop artistic, musical and creative gifts and talents children had once they were enrolled in Government schools.
3. Support relationships that had been established through regular contact with our social workers broke down once children were enrolled at school.
4. The opportunity for regular Christian discipleship was lost.

During the first year of operations, we had 25 children enrolled while we continued to develop our model of education. We are pleased to report that the start of 2015 has seen full enrolment and there are now 70 children receiving a quality primary education, that allows them opportunities to develop their artistic, musical and creative gifts, whilst also providing regular Christian discipleship.

Children attending any of our classes, at either of the above centres, have continued to receive breakfast and a hot nutritional lunch each day.

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 2014 116 children were supported with uniform, school fees, and lunch at primary school. 20 children were also supported with fees at secondary school, and a further 20 were fully supported to attend secondary boarding school.

At our third centre in the Laini Saba area of Kibera, our community library had a very good year. During the daytimes members of the community are able to host meetings there, after school up to 70 children a day come to do their homework, in the school holidays children come throughout the day to spend time reading, and we had participation from a number of local secondary schools in our inaugural 'Spelling Bee' competition, which was very popular.

Microfinance has continued to be provided from each of our three centres. In 2014 240 loans were issued, with 211 cleared during the year. The default rate continues to be low at 2.58%. Through the year we were also able to successfully transition 30 members out of our microfinance programme to a larger institution, KIVA, which will enable these members to continue to grow and prosper their businesses.

2014 saw a very significant change operationally for TP. The CEO of TP-Kenya and Field Directors for TP-UK relocated from Kenya, where they had been based for 12 years, to the UK. This was a strategically planned move, as the trust recognised that local management was sufficiently developed to take over the running of the local operation, there had been successful recruitment to the local Board of Directors to provide oversight and support to local management, and there was a need for senior personnel in the UK to build and develop the support base to enable future growth in TP-Kenya. Towards the end of 2014 a new CEO was appointed for TP-Kenya, Judy Akoth, who will act as CEO-Designate for January-June, assuming full CEO responsibilities from 1<sup>st</sup> July 2015.

This is an exciting step forward in the growth of both TP-Kenya and TP-UK, and we anticipate it will lead to the introduction of comprehensive monitoring and evaluation for our education and microfinance models in Kibera, so completing their development life-cycle, as TP-UK generates more income to support the replication of these models in the future.

## **Financial Review**

Incoming donations from individuals and churches reduced in the year to £176,538 (2013: £229,341). In addition to this grants were received totalling £27,490 (2013: £17,223). Income from investments (interest on money held of deposit) was up slightly at £50 (2013: £41). Total income was therefore reduced at £204,078 (2013: £246,605).

The cost of generating funds reduced to £17,531 (2013: £24,493), due to a decrease in staff costs associated with this activity.

Grants to Turning Point (Kenya) reduced to £143,170 (2013: £ 184,762). The notes disclose how these funds were used by Turning Point (Kenya). The impact of this reduction was however mitigated to some degree by exchange rate movements between GBP and KSH.

The cost of providing staff, including UK Directors, decreased to £26,998 (2013: £38,906) partly as a result of the re-location of the UK Directors to the UK during the year.

Governance costs decreased to £6,405 (2013: £8,455).

Total expenses fell to £194,104 (2013: £256,616).

Total funds at the end of the year increased to £21,174 (2013: £11,200). Of this figure, the amount representing restricted funds reduced to £0 (2013: £8,858). The general fund as at 31st December was £21,174 which represents 40 days 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 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 13 June 2015 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 2014, which are 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 (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 August 2015

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 2014**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Fund 201
<b>Incoming resources</b>					
Donations from individuals / churches		176,538		176,538	229,34
Donations from grant making trusts		27,490		27,490	17,22
Investment income		50		50	4
<b>Total incoming resources</b>		<b>204,078</b>		<b>204,078</b>	<b>246,60</b>
<b>Resources expended</b>					
Costs of generating funds		17,531		17,531	24,49
<i>Charitable activities:</i>	4				
Grants to Turning Point (Kenya)		133,852	9,318	143,170	184,76
Staff costs		26,998		26,998	38,90
<i>Charitable activities sub-total</i>		<b>160,850</b>	<b>9,318</b>	<b>170,168</b>	<b>223,66</b>
Governance costs	5	6,405		6,405	8,45
<b>Total resources expended</b>		<b>184,786</b>	<b>9,318</b>	<b>194,104</b>	<b>256,61</b>
<b>Net (outgoing) incoming resources before transfers</b>		<b>19,292</b>	<b>-9,318</b>	<b>9,974</b>	<b>-10,01</b>
Transfers between funds		-460	460		
<b>Net movement in funds</b>		<b>18,832</b>	<b>-8,858</b>	<b>9,974</b>	<b>-10,01</b>
Total funds brought forward		2,342	8,858	11,200	21,21
<b>Total funds carried forward</b>		<b>21,174</b>	<b>0</b>	<b>21,174</b>	<b>11,20</b>

**The Turning Point Trust**  
**Balance Sheet as at 31 December 2014**

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Prior Year
<i>Fixed assets:</i>					
Tangible assets		-	-	-	-
Investments		-	-	-	-
<b>Total fixed assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Current Assets:</i>					
Debtors	7	1,259	-	1,259	1,761
Cash at bank and in hand		21,316	-	21,316	13,162
<b>Total current assets</b>		<b>22,574</b>	<b>-</b>	<b>22,574</b>	<b>14,923</b>
<i>Liabilities:</i>					
Creditors falling due within one year		400	-	400	1,223
<b>Net current assets</b>		<b>22,174</b>	<b>-</b>	<b>22,174</b>	<b>13,700</b>
<b>Total assets less current liabilities</b>		<b>22,174</b>	<b>-</b>	<b>22,174</b>	<b>13,700</b>
<i>Creditors: amounts falling due after more than one year</i>					
Creditors		-	-	-	-
Provisions	8	1,000	-	1,000	2,500
<b>Net assets</b>		<b>21,174</b>	<b>-</b>	<b>21,174</b>	<b>11,200</b>
<i>The funds of the charity:</i>					
Restricted income funds	9		-	-	8,858
Unrestricted income funds		21,174		21,174	2,342
<b>Total charity funds</b>		<b>21,174</b>	<b>-</b>	<b>21,174</b>	<b>11,200</b>

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

Approved by the trustees on 13 June 2015 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 (2013: £Nil). Expenses in the year totalled £824 (2013: £486).

## 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	£6,405	£51,237	£6,405	£64,046	Staff time
Other staff	£2,587	£7,760		£10,347	Staff time
Office costs	£1,268	£11,413		£12,681	Usage
Official fees & Accountant costs		£5,451		£5,451	Usage
Vehicle costs		£2,917		£2,917	Usage
<b>Total</b>	<b>£10,259</b>	<b>£78,778</b>	<b>£6,405</b>	<b>£95,442</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	18,961
Kianda	5,960
Finance Programme	5,851
Holiday Camps	2,342
Farm	7,304
Laini Saba	10,154
Field Directors	25,618
Interns	2,587
<b>Total allocated</b>	<b>78,778</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 2014</b>	<b>Total Costs 2013</b>
Mashimoni	41,136	18,961		60,098	92,307
Kianda	9,282	5,960		15,242	21,909
Silanga	5,353	0		5,353	0
Finance Programme	4,395	5,851		10,247	14,156
Holiday Camps	2,817	2,342		5,159	16,564
Farm	22,910	7,304		30,214	19,035
Laini Saba	6,704	10,154		16,858	20,790
Grants to Turning Point Kenya	92,597	50,573	0	143,170	184,762
Staff costs			26,998	26,998	50,491
<b>Total</b>	<b>92,597</b>	<b>50,573</b>	<b>26,998</b>	<b>170,168</b>	<b>235,253</b>

## 5. Analysis of Governance Costs

	<b>Direct</b>	<b>Support</b>	<b>Total 2014</b>	<b>Total 2013</b>
UK Director time		6,405	6,405	2,972
Total	0	6,405	6,405	2,972

## 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>2014</b>	<b>2013</b>
Salaries and wages	57,400	68,593
Housing costs	5,220	11,847
Other costs	7,966	18,923
Total	<u>70,585</u>	<u>99,363</u>

The average number of full time employees through the year was 2 (2013: 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

	<b>Balance b/f</b>	<b>Incoming resources</b>	<b>Resource expended</b>	<b>Transfers</b>	<b>Balance c/f</b>
Farm	8,358	0	8,818	460	0
TP staff	500	0	500	0	0
Total	8,858	0	9,318	460	0