



# The Turning Point Trust

Report and Financial Statements

Year Ended 31<sup>st</sup> December 2016

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 (resigned 11/01/2017)  
Jeremy Spanton (resigned 11/04/2017)  
Steve Dew

### **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 2016**

The Trustees present their annual report and financial statement for the charity for the year ended 31 December 2016. 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 (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 staff who work 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 2016 expenditure exceeded income, resulting in a small reduction in the reserves position. This was largely driven by changes in the exchange rate between the UK and Kenya during 2016. The reserves position continues to be a high focus for trustees. Operational changes in 2016 have reduced UK expenses. The Trustees are also considering what further action is required to increase 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**

During 2016 we have continued to see the Fountains of Hope school grow and support more children, providing a holistic education to the children we serve. Providing a high quality education remains at the heart of what we do, and is also supported by our transition class and community library. We also provide surrounding services such as parenting classes, as we very much want to partner with parents and carers in their task of raising children and young people. We have also been delighted to partner during the year with other organisations and people to help us in this task.

We are very grateful to the staff of Turning Point in Kenya who work with children and parents on a day to day basis, often dealing with challenging situations. We are also grateful for our supporters and donors in Kenya, the UK, and elsewhere without whom our work would not be possible. Wider economic changes have created some funding challenges for us and many other organisations during the year, but we remain determined to pursue our vision to help the children we serve become the people God made them to be.

## **Financial Review**

Incoming donations from individuals and churches decreased in the year to £193,415 (2015: £256,035), the difference largely being explained by a significant legacy received in the previous year. In addition to this grants were received totalling £18,550 (2015: £21,462). Income from investments (interest on money held of deposit) was down at £7 (2015: £27). Total income was therefore decreased at £211,972 (2015: £277,523).

The cost of generating funds decreased to £26,718 (2015: £33,953), due to a decrease in staff costs associated with this activity.

Grants to Turning Point (Kenya) decreased to £186,272 (2015: £213,173). The notes disclose how these funds were used by Turning Point (Kenya).

The cost of providing staff decreased to £8,124 (2015: £12,120).

Governance costs decreased to £2,840 (2015: £4,768).

Total expenses decreased to £223,954 (2015: £264,013).

Total funds at the end of the year decreased to £22,702 (2015: £34,684). Of this figure, the amount representing restricted funds remained at £0. The general fund as at 31st December 2016 was £22,702, which represents 37 days of general activities, down from 48 days as at 31<sup>st</sup> December 2015.

### **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. The Trustees are planning to grow the income to support this increased work.

During 2016 the UK Directors left the organisation, which has contributed to a drop in UK costs that is expected to continue into 2017. The trustees are considering how to continue with work in the UK to raise awareness and funds in the most cost efficient manner.

### **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 6 July 2017 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 2016, charity number 1091025, 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 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 9 July 2017

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 2016

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Fund 201
<b>Incoming resources</b>					
Donations from individuals / churches		189,583	3,832	193,415	256,03
Donations from grant making trusts		18,550		18,550	21,46
Investment income		7		7	2
<b>Total incoming resources</b>		208,140	3,832	211,972	277,52
<b>Resources expended</b>					
Costs of generating funds		26,718		26,718	33,95
<i>Charitable activities:</i>	4				
Grants to Turning Point (Kenya)		182,440	3,832	186,272	213,17
Staff costs		8,124		8,124	12,12
Governance costs		2,840		2,840	4,76
<b>Total resources expended</b>		220,122	3,832	223,954	264,01
<b>Net (outgoing) incoming resources before transfers</b>		-11,982	0	-11,982	13,51
Transfers between funds					
<b>Net movement in funds</b>		-11,982	0	-11,982	13,51
Total funds brought forward		34,684	0	34,684	21,17
<b>Total funds carried forward</b>		22,702	0	22,702	34,68

**The Turning Point Trust**  
**Balance Sheet as at 31 December 2016**

	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	6	1,425	-	1,425	1,606
Cash at bank and in hand		21,495	-	21,495	33,370
<b>Total current assets</b>		22,920	-	22,920	34,976
<i>Liabilities:</i>					
Creditors falling due within one year		218	-	218	292
<b>Net current assets</b>		22,702	-	22,702	34,684
<b>Total assets less current liabilities</b>		22,702	-	22,702	34,684
<i>Creditors: amounts falling due after more than one year</i>					
Creditors		-	-	-	-
Provisions	7	-	-	-	-
<b>Net assets</b>		22,702	-	22,702	34,684
<i>The funds of the charity:</i>					
Restricted income funds	8	-	-	-	-
Unrestricted income funds		22,702	-	22,702	34,684
<b>Total charity funds</b>		22,702	-	22,702	34,684

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

Approved by the trustees on 6 July 2017 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 (SORP) including the concessions that are available for smaller charities 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 (2015: £Nil). Expenses in the year totalled £2,687 (2015: £486). This included flights to the UK for a member of staff paid for by a Trustee and then reclaimed.

## 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	£9,368	£11,710	£2,342	£23,420	Staff time
Other staff	£3,986	£5,480	498	£9,964	Staff time
Office costs	£3,258	£29,318		£32,576	Usage
Official fees & accountant costs		£19,444		£19,444	Usage
Vehicle costs		£4,274		£4,274	Usage
<b>Total</b>	<b>£16,612</b>	<b>£70,226</b>	<b>£2,840</b>	<b>£89,678</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.

Total costs	£
Mashimoni	13,662
Kianda	7,172
Fountains of Hope School	£23,362
Finance Programme	6,356
Holiday Camps	3,915
Farm	0
Laini Saba	7,561
Field Directors	8,197
Total allocated	<u>70,226</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, by employing UK 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 2016</b>	<b>Total Costs 2015</b>
Mashimoni	43,051	13,662		56,713	60,098
Kianda	18,510	7,172		25,683	15,242
Fountains of Hope School	37,064	23,362		60,426	0
Finance Programme	9,591	6,356		15,947	10,247
Holiday Camps	5,087	3,915		9,002	5,159
Farm	0	0		0	30,214
Laini Saba	10,939	7,561		18,500	16,858
Silanga	0	0		0	5,353
Grants to Turning Point Kenya	124,243	62,029	0	186,272	143,170
Staff costs			8,124	8,124	26,998
<b>Total</b>	<b>124,243</b>	<b>62,029</b>	<b>8,124</b>	<b>194,396</b>	<b>170,168</b>

Governance costs are made up of a small proportion of UK staff costs, based on time spent supporting the Trustees in their governance responsibilities.

	<b>Direct</b>	<b>Support</b>	<b>Total 2016</b>	<b>Total 2015</b>
Trustee expenses	0		0	0
Meeting rooms	0		0	0
Field Director time		2,342	2,342	4,768
Other Staff costs		498	498	0
<b>Total</b>	<b>0</b>	<b>2,840</b>	<b>2,840</b>	<b>4,768</b>

## 5. Analysis of Staff Costs

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

	<b>2016</b>	<b>2015</b>
Salaries and wages	29,909	57,400
Housing costs	2,706	5,220
Other costs	3,375	7,966
<b>Total</b>	<b>35,990</b>	<b>70,586</b>

The average number of full time employees through the year was 1 (2015: 2). Employee time was split between supporting Turning Point (Kenya) directly, and raising awareness and funding in the UK.

## 6. Analysis of current assets

The amounts showing as debtors represents amounts due in Gift Aid but not claimed.

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

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

## 8. Analysis of restricted charitable funds

	<b>Balance b/f</b>	<b>Incoming resources</b>	<b>Resource expended</b>	<b>Transfers</b>	<b>Balance c/f</b>
Finance Programme	0	424	424	0	0
Holiday Clubs	0	2,684	2,684	0	0
Other	0	724	724	0	0
<b>Total</b>	<b>0</b>	<b>3,832</b>	<b>3,832</b>	<b>0</b>	<b>0</b>