

TURN TRUST

(A company limited by guarantee)

Report and Financial Statements

Year ended 31 May 2023

Charity No: 1088758

Company No: 4226471

Calculus Assurance Services
5 Priory Road
Loughton
Essex
IG10 1AF

Turn Trust

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Turn Trust

Legal and Administrative Information

Trustees:	J Marriott	Resigned 19 May 2023
	R Venable	
	M Frost	
	G Dodd	Resigned 30 June 2023
	K Colwell	Appointed 1 July 2023
	N Fernandez Vizcaya	Appointed 1 July 2023
Executive team:	B A Skrentny	Donor representative
	M Sartori	Chief executive officer to September 2022
	G Mota	Chief executive officer from October 2022
	R H Ashworth	Chief finance officer
Registered office:	43-45 Camden Road London NW1 9LR	
Charity registration number:	1088758	
Company registration number:	4226471	
Independent Examiner:	James Lambden FCA CTA Calculus Assurance Services 5 Priory Road Loughton Essex IG10 1AF	
Bankers:	Barclays Bank plc Leicester LE87 2BB	

Turn Trust

Report of the Trustees (including the Directors' Report) for year ended 31 May 2023

The Trustees present their report and the unaudited financial statements of the charity for the year ended 31 May 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity including the Directors Report as required by company law.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and administrative details of the charity, its trustees and advisers

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end and other administrative details are set out on page 1.

Structure, governance and management

Governing Document

The organisation is a Charitable Company Limited by Guarantee, incorporated on 31 May 2001 and registered as a charity on 04 October 2001. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Governance and management structure

The policy and operating decisions of the charity rest with the trustees who liaise regularly and meet formally, as required, to monitor the activities of the charitable company. Funding for projects is agreed with the Donor Representative to ensure expenditure is in line with income. The Chief executive has responsibility for the day to day implementation of the charity's objectives. The Chief finance officer assists the Chief executive with the operations of the trust.

The trustees approve the pay and remuneration of key management personnel annually and periodically seek external advice on how pay rates compare to external benchmarks.

Recruitment and Appointment of the Board of Directors/Trustees

The trustees shall not be subject to retirement by rotation. Unless otherwise determined by the Charity in general meeting, the term of office of a trustee shall continue until he retires or is removed in accordance with the relevant provisions of the articles. The appointment of trustees is in accordance with the provisions of the company's Articles of Association. As the trustee body is small and most have served for several years, there are no formal policies for recruitment, induction and training of trustees.

Statement of trustees/directors' responsibilities

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Compliance with laws and regulations

The trustees confirm that the charity has complied with all legal and regulatory requirements for charitable companies registered under the Companies Act 2006 and the Charities Act 2011.

Objectives and activities

Objects of the charity

Turn Trust has two charitable objectives: the relief of poverty and the advancement of the Christian faith. It operates in Greater London.

Turn Trust

Report of the Trustees (including the Directors' Report) for year ended 31 May 2023 (continued)

Achievements and Performance

Review of Activities

Turn Trust achieves its objective by undertaking research and development in ecclesiology and church planting. Its activities are then shaped by conclusions emerging from this research, which is carried out in connection with the Oxford Centre for Mission Studies.

The activities of the trust were resumed in 2022 across all parts: Turn Training, Turn Business, Turn Refit, and Turn Networks, in the UK and overseas, and the new projects started in the last quarter of 2022 continued to develop through 2023. The textile group in Camden, sewing group on the Isle of Dogs. Dance therapy, with the goal of using dance movement to increase mental health and the kids club in Dalston have all continued. We have continued our work in the City based at All Hallows, and the Club night in Camden, where our goal is to connect with the people who come to our projects, to find out more about their needs. Our work in Yorkshire has grown; we have placed five people who have been growing projects in Knaresborough and Harrogate. We have continued to develop our Love Beyond network of churches: our team will work closely with them. The Camden Café, which is operated via our subsidiary Turn Trading Limited, has been running at full speed now with a combination of Love Beyond workers and paid staff as the team. The cafe has been a safe haven for neighbours and also for participants of our projects. The toilets in Camden have been upgraded. We have also refurbished space at All Hallows.. We've received 10 new workers in 2022/23 who are based between London and Harrogate and new people are in the pipeline to arrive from this Spring onwards.

Financial Review

The Trust has successfully applied for and received corporate sponsorship. The charity is registered with HM Revenue and Customs for the purpose of reclaiming Gift Aid. During the year total revenue reduced, due to excluding notional rental income for accommodation provided to workers, to £441,965 (2022: £498,244) and total revenue expenditure reduced to £484,299 (2022: £495,396) resulting in a deficit for the year to £42,334 (2022: surplus £2,848). The trustees are satisfied with the overall result and having agreed to use some of the reserves to fund charitable activities.

Reserves Policy

The Board of Directors have established a policy whereby free reserves held by the charity should be maintained as sufficient to cover its short-term commitments plus retaining funds towards capital development. At the end of the year the free reserves held after designations were £162,264 (2022: £184,857), which represents 125.5 days revenue expenditure at current year levels (2022: 136.2 days). Restricted reserves were £12 (2022: £942).

Risk Management

The Directors have reviewed the risks to which a small charity operating with few employees is exposed. Appropriate procedures are in place to identify, monitor and review these risks on a regular basis.

Public Benefit

The charity has due regard to guidance published by the CC on public benefit. The Charity's Commitment to promote the Christian faith creates an opportunity for all to hear the gospel. We train Christian social entrepreneurs, so they can create and run projects well. We also promote the creation and development of communities out of which the social projects can emerge. We manage houses so that accommodation is provided for charity workers to enable them to serve their local communities more effectively. All our charitable activities, defined by our aims and objectives, are for public benefit.

Plans for future periods

Turn Trust's lines of activity are set to continue and expand in the following areas:

TURN TRAINING: The training hubs and campuses development have been the focus of our energy, while also working with partners in East and North London and Harrogate in their training placements.

TURN BUSINESS: Cafe operations are growing as we work closely with the team and clientele to developing menus, facilities and the variety of complimentary community projects who use the space.

TURN REFIT: As opportunities and the charitable work requires, premises are being improved, well kept and modified.

TURN NETWORKS: New partnerships are being developed, through our monthly gatherings and community groups developed previously. A few overseas workers returned to England in the past year and were added to the local team helping us to stretch our reach for new partners in England and also overseas.

Turn Trust

Report of the Trustees (including the Directors' Report) for year ended 31 May 2023 (*continued*)

Related parties and partner organisations

Turn Trust's principal funder is Solomon Estates Limited, the ultimate owner of which is a family member of Mr B A Skrentny, the donor representative.

Turn Trust works closely with a number of churches including City Gates Church, where Mr B A Skrentny is senior pastor and Mr R H Ashworth is a trustee, and Cross Street Baptist Church, where Mr N Fernandez Vizcaya is pastor.

Other partner organisations are: All Hallows London Wall, Cross Street Baptist Church, Gibraltar Methodist Church, Life Destiny Church (Starbeck) and Quaystone Church (Isle of Dogs).

Reporting accountants and independent examiners

Calculus Assurance Services were appointed as the charitable company's reporting accountants and independent examiners, for the year ending 31 May 2023. It is proposed to reappoint Calculus Assurance Services as the charitable company's reporting accountants and independent examiners, and they have expressed their willingness to continue in that capacity.

Small Companies Exemption

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

This report was approved by the Board on 26 February 2024.

Richard Venable

Richard Venable (Feb 27, 2024 09:54 GMT)

R D Venable

Director and Trustee

Turn Trust

Independent Examiner's report to the Trustees on the unaudited accounts of Turn Trust

I report to the charity trustees on my examination of the accounts of the company for year ended 31 May 2023 set out on pages 6 to 22.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). As the charity's trustees you consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the 2011 Act.

In carrying out my examination it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Independent Examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



J P Lambden FCA, CTA
Calculus Assurance Services

5 Priory Road
Loughton
Essex IG10 1AF

Date: 27/02/2024

Turn Trust

Statement of Financial Activities (including summary Income and Expenditure account) For the year ended 31 May 2023

	Notes	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 £
Income from					
Incoming resources from generated funds:					
Voluntary income	2	11,322	411,902	423,224	434,251
Government grants	3	-	2,876	2,876	5,583
Activities for generating funds:					
Investment income	4	-	186	186	11
Incoming resources from charitable activities:					
Rental income	5	-	-	-	55,946
Sundry income	6	-	15,679	15,679	2,453
Other incoming resources		-	-	-	-
Total Income		<u>11,322</u>	<u>430,643</u>	<u>441,965</u>	<u>498,244</u>
Expenditure on					
Charitable activities		12,252	471,191	483,443	494,610
Other activities for raising funds		-	-	-	-
Governance costs		-	856	856	786
Total expenditure	7	<u>12,252</u>	<u>472,047</u>	<u>484,299</u>	<u>495,396</u>
Net gains / (losses) on investments		-	-	-	-
Net income/(expenditure)		<u>(930)</u>	<u>(41,404)</u>	<u>(42,334)</u>	<u>2,848</u>
Transfer between funds		-	-	-	-
Other recognised gains / (losses)		-	-	-	-
Reconciliation of funds		<u>(930)</u>	<u>(41,404)</u>	<u>(42,334)</u>	<u>2,848</u>
Total funds brought forward		942	203,668	204,610	201,762
Total funds carried forward	18	<u>12</u>	<u>162,264</u>	<u>162,276</u>	<u>204,610</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

Turn Trust
Summary Income and Expenditure account
For the year ended 31 May 2023

	Notes	2023 £	2022 £
Income			
Donations and gifts	2	423,224	434,251
Grants	3	2,876	5,583
Other income from charitable activities	5	-	55,946
Sundry income	6	15,679	2,453
		441,779	498,233
Charitable expenditure			
Costs of generating funds	7	-	-
Costs of activities in furtherance of charity's objects	7	457,601	447,240
Depreciation and impairment of fixed assets	7 / 8	25,842	47,370
Governance costs	7	856	786
		484,299	495,396
Operating surplus for the year		(42,520)	2,837
Interest receivable	4	186	11
Realised (loss)/gain on sale of investments			
Surplus/(deficit) for the year		(42,334)	2,848

All activities relate to continuing operations.

Turn Trust
Balance Sheet
As at 31 May 2023

Company No: 4226471

	Notes	2023 £	2022 £
Fixed assets			
Investments	12	1	1
Tangible assets	13	<u>15,409</u>	<u>32,839</u>
		15,410	32,840
Current assets			
Debtors	14	66,885	93,907
Investments		-	-
Short term deposits		65,115	63,109
Cash at bank and in hand		23,832	26,468
		<u>155,832</u>	<u>183,484</u>
Creditors: amounts falling due within one year	15	(8,966)	(11,714)
Net current assets		<u>146,866</u>	<u>171,770</u>
Net assets		<u>162,276</u>	<u>204,610</u>
Funds			
Unrestricted funds		162,264	203,668
Restricted funds		12	942
Total funds	18	<u>162,276</u>	<u>204,610</u>

The directors are satisfied that the company was entitled to exemption under section 477 of the Companies Act 2006 and that members have not required an audit in accordance with section 476.

The directors acknowledge their responsibilities for:

- i. ensuring that the company keeps accounting records which comply with section 386; and
- ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 296 and which otherwise comply with the requirements of this Act relating to the accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies' subject to the small companies' regime and in accordance with Financial Reporting Standard 102 Section 1A.

The financial statements on pages 6 to 22 were approved by the Trustees on 26 February 2024 and signed on their behalf by:

Kevin Colwell
Kevin Colwell (Feb 27, 2024 10:07 GMT)
K Colwell – Director

Richard Venable
Richard Venable (Feb 27, 2024 09:54 GMT)
R D Venable – Director

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

1. Accounting policies

(a) Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities, and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Company status

The charity is a private company limited by guarantee, incorporated in England and Wales and registered with the Charity Commission in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the legal and administrative information on page 1. The nature of the charity's operations and principal activities are set out in the Report of the Trustees under "Objectives and activities".

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. These funds are held to finance both working capital and capital investment.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, after any performance conditions have been met, and the amount can be quantified with reasonable accuracy and it is probable that the income will be received. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of the Coronavirus Job Retention Scheme. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

1. Accounting policies (*continued*)

(d) Income recognition (*continued*)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Where practicable, gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers in line with the SORP (FRS 102).

(e) Deferred income

In accordance with the SORP (FRS 102), grants and donations received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

(f) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes staff costs and goods and services specifically attributable to the activity;
- Expenditure on charitable activities includes both direct and support costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(g) Support costs allocation

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of the head count.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those that assist the work of the charity but do not directly represent charitable activities. They are costs incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

(h) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £300 are capitalised and included at cost including any incidental expenses of acquisition or making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Office equipment, furniture and fittings	Over 4 years
Motor vehicles	Over 5 years
Leasehold improvements	Over lease term

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

1. Accounting policies (*continued*)

(i) Investments

Investments are stated at market value at the balance sheet date, where this can be determined with reasonable accuracy, otherwise investments are stated at cost less impairment where there is evidence that the value has been impaired. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

(j) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(k) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(l) Cash and cash equivalents

Cash represents cash in hand plus bank balances immediately available to the charity. Cash equivalents are bank balances held on short term deposit available to the charity at up to 3 months' notice.

(m) Pension costs

The company operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off against profits in the year they are payable.

(n) Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets and depreciated over the shorter of the lease term and the expected useful economic life of the asset. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

(o) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(p) Going concern

The charity is dependent on continuing donations from Solomon Estates Limited, HMCA/s plc and the Care Insurance Company Limited and as a consequence the going concern basis is also dependent on these donations continuing. These donations are agreed annually in advance and there is no indication that they will be discontinued in the foreseeable future, donations are agreed before the start of the year and the charity has planned its expenditure in line with the confirmed income.

(q) Financial Instruments

Financial instruments such as loans, accounts payables, accounts receivables and cash are classified as either basic or complex. All financial instruments are initially measured at their fair values at the transaction date. Subsequently all basic instruments are measured at amortised cost and complex instruments are measured at a fair value through the statement of financial activities (comprehensive income statement).

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

(r) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements.

The key assumptions concerning the future and at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Tangible fixed assets: tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Other key sources of estimation uncertainty and assumptions:

Allocation of administration costs: a proportion of expenditure is either not directly attributable to specific projects or related to the central administration of the charity. In determining how to allocate these costs the trustees have considered the level of activities in each project, use of facilities and administrative support.

Turn Trust
Notes forming part of the financial statements for the year ended 31 May 2023

2. Donations and gifts	Restricted funds	Unrestricted funds	Total funds 2023	Restricted funds	Unrestricted funds	Total funds 2022
	£	£	£	£	£	£
Donations	-	39,220	39,220	-	6,648	6,648
Solomon Estates Limited	-	334,937	334,937	-	338,563	338,563
Turn Trading Limited	-	30,000	30,000	-	86,365	86,365
Restricted income – Turkana	11,322	-	11,322	1,860	-	1,860
Gift Aid tax refund	-	7,745	7,745	-	815	815
	<u>11,322</u>	<u>411,902</u>	<u>423,224</u>	<u>1,860</u>	<u>432,391</u>	<u>434,251</u>
3. Government grants						
	£	£	£	£	£	£
Corona virus Job Support Scheme	-	-	-	-	4,971	4,971
Employment Allowance	-	2,876	2,876	-	612	612
	<u>-</u>	<u>2,876</u>	<u>2,876</u>	<u>-</u>	<u>5,583</u>	<u>5,583</u>
4. Investment income						
	£	£	£	£	£	£
Interest receivable	-	186	186	-	11	11
	<u>-</u>	<u>186</u>	<u>186</u>	<u>-</u>	<u>11</u>	<u>11</u>
5. Other income from charitable activities						
	£	£	£	£	£	£
Rental income – Houses of Peace	-	-	-	-	55,946	55,946
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,946</u>	<u>55,946</u>
Rental income for 2022 includes notional rent of £44,300 to represent the cost of providing accommodation to beneficiaries this is also included in Houses of Peace expenditure in Note 7.						
6. Sundry income						
	£	£	£	£	£	£
Other income (Media projects)	-	-	-	-	-	-
Living Room Camden (reimbursed salaries)	-	15,534	15,534	-	-	-
Living Room Soho	-	-	-	-	-	-
Events	-	-	-	-	-	-
Language School	-	-	-	-	-	-
Re-imbursement of office cleaning costs	-	-	-	-	2,442	2,442
Sundry income	-	145	145	-	11	11
	<u>-</u>	<u>15,679</u>	<u>15,679</u>	<u>-</u>	<u>2,453</u>	<u>2,453</u>

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

7. Total resources Expended	Staff costs	Other direct costs	Other allocated support costs	Total 2023	Staff costs	Other direct costs	Other allocated support costs	Total 2022
	£	£	£	£	£	£	£	£
Fundraising costs	-	-	-	-	-	-	-	-
General fund	51,349	-	49,162	100,511	59,388	500	37,399	97,287
Grants	-	87,667	-	87,667	-	48,941	-	48,941
Media projects	-	7,746	-	7,746	10,938	114	6,195	17,247
Beyond charitable Flowprojects	-	4,769	-	4,769	-	1,074	-	1,074
Trilogy / Beyond charitable	81,533	28,497	449	110,479	79,181	22,802	374	102,357
Overseas mission	-	11,600	-	11,600	-	15,853	-	15,853
Beyond charitable – Events	-	4,829	-	4,829	-	3,253	-	3,253
Turkana (Restricted)	-	12,252	-	12,252	-	2,680	-	2,680
Houses of Peace	-	88,683	-	88,683	-	157,263	-	157,263
Camden Road refurbishment	-	10,699	19,870	30,569	-	4,928	41,385	46,313
Living Room – cafes	-	-	-	-	-	-	-	-
Language school	-	-	-	-	-	-	-	-
Partnership investment	-	6,090	-	6,090	-	2,342	-	2,342
Turn Trading (Camden café)	16,657	-	536	17,193	-	-	-	-
Charity shop	-	1,055	-	1,055	-	-	-	-
Governance	-	-	856	856	-	-	786	786
	<u>149,539</u>	<u>263,887</u>	<u>70,873</u>	<u>484,299</u>	<u>149,507</u>	<u>259,750</u>	<u>86,139</u>	<u>495,396</u>

Houses of Peace: 2022 includes £40,300 of notional rent to represent the cost of providing accommodation to beneficiaries this is also included in Rental income in Note 5.

	£	£
Restricted (Charitable activities)	<u>12,252</u>	<u>2,680</u>
Unrestricted:		
Charitable activities	471,191	491,930
Governance	856	786
	<u>472,047</u>	<u>492,716</u>
Total expenditure	<u>484,299</u>	<u>495,396</u>

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

8. Total resources expended (continued)

a) Other direct costs include:			2023	2022
			£	£
Reporting accountants' remuneration (excl. VAT)				
Independent examination			830	760
Accountancy, taxation and other services			3,330	3,101
Operating lease rentals – equipment			-	-
Depreciation – on owned assets			25,842	47,370
Profit on disposal			-	-
			<hr/>	<hr/>
b) Support costs:				
Premises			20,280	17,670
Depreciation (note 13)			25,842	47,370
Office running costs			23,636	15,720
Accountancy and bank charges			5,565	5,032
Sundry			584	150
			<hr/>	<hr/>
			75,907	85,942
			<hr/>	<hr/>
c) Grants:				
	Institutions	Individuals	2023	2022
	£	£	£	£
Included in total resources expended, the following were paid as grants:				
Grants paid to projects for the benefit of individuals	18,152	69,515	87,667	48,941
	<hr/>	<hr/>	<hr/>	<hr/>
	18,152	69,515	87,667	48,941
	<hr/>	<hr/>	<hr/>	<hr/>
Prior year	Institutions	Individuals	2022	2021
	£	£	£	£
Included in total resources expended, the following were paid as grants:				
Grants paid to projects for the benefit of individuals	13,600	35,341	48,941	52,195
	<hr/>	<hr/>	<hr/>	<hr/>
	13,600	35,341	48,941	52,195
	<hr/>	<hr/>	<hr/>	<hr/>

Grants made to individuals are for relief of poverty or to provide training.

9a. Trustees and key management personnel remuneration

The trustees neither received nor waived any emoluments for services as trustees during the year (2022: £nil)

Key management personnel are defined as the chief executive and the chief finance officer. The CEO received remuneration of £14,147 (2022: £18,693) and the CFO was paid via an intermediary Grace Eagle Limited and received remuneration of £19,545 for services during the year (2022: £23,674).

Key management personnel remuneration	2023	2022
	£	£
Wages and salaries	14,147	18,693
Employer's National Insurance	516	876
Pension costs (defined contribution plan)	217	277
Consultant	19,545	23,674
	<hr/>	<hr/>
	34,425	43,520
	<hr/>	<hr/>

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

9b. Trustee expenses

	2023 Number	2022 Number	2023 £	2022 £
Out of pocket expenses were reimbursed to trustees as follows:				
Travel	-	-	-	-
Meeting costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

There were no other transactions with the trustees during the period.

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

10. Staff costs

	Media	Turn Trading	Beyond charitable	General	2023	Media	Turn Trading	Beyond charitable	General	2022
	£	£	£	£	£	£	£	£	£	£
Wages and salaries	-	15,370	38,558	14,147	68,075	10,192	-	61,338	18,693	90,223
Employer's National Insurance	-	595	1,036	616	2,247	517	-	1,634	876	3,027
Pension costs (defined contribution plan)	-	692	536	171	1,399	229	-	516	277	1,022
Self-employed workers and consultants	-	-	39,511	31,574	71,085	-	-	15,618	33,266	48,884
Volunteers' expenses	-	-	-	2,111	2,111	-	-	-	5,775	5,775
Recruitment, training and staff welfare	-	-	1,891	999	2,890	-	-	-	501	501
Travel Expenses	-	-	-	1,732	1,732	-	-	75	-	75
Employment allowance	-	-	-	-	-	-	-	-	-	-
	-	16,657	81,532	51,350	149,539	10,938	-	79,181	59,388	149,507

There were no employees whose emoluments as defined for taxation purposes amounted to over £60,000 in either year.

The average number of employees analysed by function was:

	2023 Number	2022 Number
Charitable activities	8.5	5.2
Living Room café (Turn Trading)	9.0	5.5
Management and administrative of the charity	0.2	0.2
	17.7	10.9

11. Pension costs

The charity operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The charge for the year was £1,399 (2022: £1,022).

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

12. Investments

Investment in UK trading subsidiary: Turn Trading Limited (Company number: 12293500) registered in England and Wales (100% owned):

		Group entities £	Total £
Cost: at 1 June 2022 and 31 May 2023		1	1
		<hr/>	<hr/>
Summary Income and Expenditure	£		£
Turnover	198,831		4,569
Other income	156		79,161
Cost of sales	(89,594)		(80,133))
Gross profit	109,393		(972)
Overheads	(109,478)		3,597
Profit before taxation	(85)		
Tax charge	-		
Profit for the year	(85)		
Summary Balance Sheet			£
Fixed assets			4,569
Current assets			79,161
Creditors falling due in less than one year			(80,133))
Net current liabilities			(972)
Net Assets			3,597
Share capital			1
Profit and loss reserve			3,596
Shareholders funds			3,597

13. Tangible assets	fixed	Land & buildings, leasehold improvements	Kitchen equipment, & integral features	Motor vehicles	Plant & machinery, equipment & fittings	Total
		£	£	£	£	£
Cost						
At 1 June 2022		252,565	24,721	15,300	67,855	360,441
Additions		-	-	-	8,412	8,412
Disposals		-	-	-	-	-
At 31 May 2023		<hr/> 252,565 <hr/>	<hr/> 24,721 <hr/>	<hr/> 15,300 <hr/>	<hr/> 76,267 <hr/>	<hr/> 368,853 <hr/>
Depreciation						
At 1 June 2022		226,222	18,999	15,300	67,081	327,602
Charge for year		19,870	1,533	-	4,439	25,842
Disposals		-	-	-	-	-
At 31 May 2023		<hr/> 246,092 <hr/>	<hr/> 20,532 <hr/>	<hr/> 15,300 <hr/>	<hr/> 71,520 <hr/>	<hr/> 353,444 <hr/>
Net book value						
At 31 May 2023		6,473	4,189	-	4,747	15,409
At 31 May 2022		<hr/> 26,343 <hr/>	<hr/> 5,722 <hr/>	<hr/> - <hr/>	<hr/> 774 <hr/>	<hr/> 32,839 <hr/>

14. Debtors

	2023 £	2022 £
Accrued income	-	7,063
Gift and tax recoverable	-	-
Other debtors: amounts owed by group undertakings	63,877	84,934
Other debtors	419	
Prepayments and other accrued income	2,589	1,910
	<hr/> 66,885 <hr/>	<hr/> 93,907 <hr/>

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

15. Creditors: amounts falling due within one year	2023 £	2022 £
Trade creditors	171	75
Taxation and social security costs-	3,000	1,572
Pension contributions	1,208	906
Other creditors	(545)	4,517
Amounts owed to group undertakings	-	-
Accrued expenses	5,132	4,644
Deferred income (Note 16)	-	-
	<u>8,966</u>	<u>11,714</u>

16. Deferred income	2023 £	2022 £
Balance brought forward	-	-
Released to statement of financial activities in year	-	-
Deferred during year	-	-
Balance carried forward	<u>-</u>	<u>-</u>

Income has been deferred as it was received in advance of the period to which it relates.

17. Financial commitments	2023	Other	2022	Other
	Land & Buildings £	£	Land & Buildings £	£
Operating leases				
Falling due:				
Less than one year	1	-	1	-
One to two years	-	-	1	-
Two to five years	-	-	-	-
	<u>1</u>	<u>-</u>	<u>2</u>	<u>-</u>

18a. Statement of funds	At 1 June 2022 £	Income £	Expenditure £	Investment gains £	Transfers £	At 31 May 2023 £
Current year:	£	£	£	£	£	£
General reserves:						
General fund	184,857	385,109	434,984	-	27,282	162,264
Turn Trading Ltd	-	45,534	17,193	-	(28,341)	-
Designated funds						
Leasehold improvements	18,811	-	19,870	-	1,059	-
Total unrestricted funds	<u>203,668</u>	<u>430,643</u>	<u>472,047</u>	<u>-</u>	<u>-</u>	<u>162,264</u>
Restricted funds:						
Youth	203	-	-	-	-	203
Turkana	739	11,322	12,252	-	-	(191)
Total restricted funds	<u>942</u>	<u>11,322</u>	<u>12,252</u>	<u>-</u>	<u>-</u>	<u>12</u>
Total funds	<u>204,610</u>	<u>441,965</u>	<u>484,299</u>	<u>-</u>	<u>-</u>	<u>162,276</u>

The general reserves represent the free funds of the charity which are not designated for particular purposes.

The Youth restricted fund represents monies which were given for a particular purpose and these will be fully utilised in delivering youth projects. Turkana restricted donations received and paid are linked and ongoing, the deficit is due to a timing difference at the year end.

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

18b. Statement of funds	At 1 June 2021	Income	Expenditure	Investment gains	Transfers	At 31 May 2022
	£	£	£	£	£	£
Prior year						
General reserves:						
General fund	144,091	496,384	492,716	-	37,098	184,857
Designated funds						
Leasehold improvements	55,909	-	-	-	(37,098)	18,811
Total unrestricted funds	<u>200,000</u>	<u>496,384</u>	<u>492,716</u>	<u>-</u>	<u>-</u>	<u>203,668</u>
Restricted funds:						
Youth	203	-	-	-	-	203
Turkana	1,559	1,860	2,680	-	-	739
Total restricted funds	<u>1,762</u>	<u>1,860</u>	<u>2,680</u>	<u>-</u>	<u>-</u>	<u>942</u>
Total funds	<u>201,762</u>	<u>498,244</u>	<u>495,396</u>	<u>-</u>	<u>-</u>	<u>204,610</u>

19. Analysis of net assets between funds	Restricted Funds	Designated funds	General funds	Total 2023
	£	£	£	£
Current year:				
Fund balances at 31 May are represented by:				
Tangible fixed assets	-	-	15,410	15,410
Current assets	12	-	155,820	155,832
Current liabilities	-	-	(8,966)	(8,966)
Long term liabilities	-	-	-	-
Total net assets	<u>12</u>	<u>-</u>	<u>162,264</u>	<u>162,276</u>
Prior year:	£	£	£	2022
Fund balances at 31 May are represented by:				£
Tangible fixed assets	-	18,811	14,029	32,840
Current assets	942	-	182,542	183,484
Current liabilities	-	-	(11,714)	(11,714)
Long term liabilities	-	-	-	-
Total net assets	<u>942</u>	<u>18,811</u>	<u>184,857</u>	<u>204,610</u>

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

20. Related Party Transactions

The charitable company principal source of income are corporate gift aid payments HMCAs Plc, The Care Insurance Company Limited and Solomon Estates Limited the amount receivable in the year was £334,937. The ultimate controlling party of both of these companies is a close relative of Mr B A Skrentny, the donor representative. Mr B A Skrentny received no remuneration from Turn Trust in the year. Mr B A Skrentny is also a director of HMCAs Plc and The Care Insurance Company Limited. Personal donations received from Mr B A Skrentny amounted to £26,800 (2022: £600).

Turn Trust works closely with City Gates Church in delivering its charitable objectives. Mr B A Skrentny is the senior minister and Mr R H Ashworth a trustee and are both members of the City Gates Church leadership team. Transactions with City Gates Church during the year were as follows:

Details	Income £	Expenditure £	Balance £
Miscellaneous grants	-	6,762	-
Living Room café Soho	-	2,402	-
Reimbursed office running costs	-	-	-
	<hr/>	<hr/>	<hr/>
	-	9,164	-
	<hr/>	<hr/>	<hr/>

Turn Trust works closely with Cross Street Baptist Church and Mr N Fernandez Vizcaya, the church pastor, was appointed as a trustee on 1 July 2023. During the year ending 31 May 2023 Turn Trust received a donation of £1,000 from Cross Street Baptist Church.

Turn trust has engaged the chief operating officer Mr R H Ashworth via an intermediary company, Grace Eagle Limited, of which Mr R H Ashworth is a director. Grace Eagle Limited also provides financial administration to Turn Trust and the total paid for services during the year was £31,771 this includes work done in relation to the trading subsidiary Turn Trading Limited.

21. Ultimate controlling party

The charitable company has no share capital and is therefore controlled by the directors who are appointed by the members in general meeting. Each member of the company commits to contribute if the charity is wound up an amount of £10.

22. Donated goods, facilities and services

The charity does not recognise volunteer time in the accounts as, apart from the trustees, most volunteers are also beneficiaries of the charity.

The charity has a lease on 43 – 45 Camden Road at a peppercorn rent from the Care Insurance Company, which occupies part of the building. At the time the lease was granted the building was in need of renovation before it could be occupied and Turn Trust has undertaken the refurbishment as part of its charitable activities to provide opportunities for construction industry training as part of its Skill Up project. Turn Trust has expended approximately £9,400 on refurbishment and maintenance during the year ended 31 May 2023 and has therefore not recognised a commercial rent as a donation for the year. Once the refurbishment works are completed the trustees will recognise the difference between the rent payable and the market rent as a donation.

Turn Trust

Notes forming part of the financial statements For the year ended 31 May 2023

23. Financial instruments

	2023 £	2022 £
The charity's financial instruments may be analysed as follows:		
Financial Assets		
Financial Assets Measured at Amortised Cost		
Trade Debtors	-	-
Other Debtors	66,885	93,907
Cash and Cash Equivalents	88,947	89,577
Total Financial Assets	<u>155,832</u>	<u>183,484</u>
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost		
Trade Creditors	171	75
Other Creditors	8,795	11,639
Bank loans and overdrafts payable within one year	-	-
Bank loans and overdrafts payable after one year	-	-
Total Financial Liabilities	<u>8,966</u>	<u>11,714</u>












Turn Trust Accounts v1-3 - Final (2023)

Final Audit Report

2024-02-27

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