



GROWTH
2016 IMPACT REPORT

fiveTalents

**‘I HAVE LEARNT THAT SAVINGS
(REGARDLESS OF HOW LITTLE)
CAN BOOST YOU A LOT IN THE
FUTURE AND THAT COMING
TOGETHER AS A COMMUNITY
CAN HELP YOU GO
FAR TOGETHER’**

Anne, Kenya



Photos: Adam Dickens
- MBF Client in Iringa

01 from the chair **PLANS FOR GROWTH**

Growth lies at the heart of Five Talents' programmes. Your support helps our local field partners and their smart mobile banking and training services grow. Building on the successes of 2016, we hope to see new programmes begin this year and we will be carefully exiting maturing schemes and planting new ones in some of the most impoverished places.

But that is only half the story.

The real growth can be seen in the faces of the young people, mothers and fathers who with your help go on to support their families, become amazing role models and gain the respect of their communities. Thanks to you, they grow in confidence and spirit; they also build resilience to economic and environmental shocks; combined this makes the world a better place.

**Neil Sandy, Chair of Trustees
Five Talents UK**



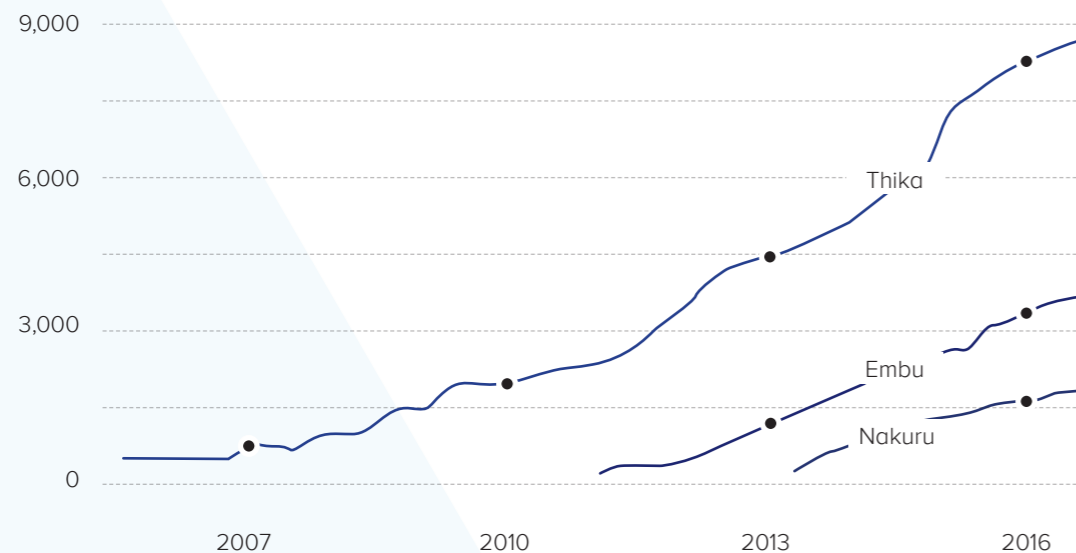
02 making introductions **FIVE TALENTS UK**

For more than a decade, Five Talents has been developing and supporting programmes which allow our clients to build a sustainable income and forge a route out of poverty. We provide business skills training and financial infrastructure to 19,000+ Kenyans, Tanzanians and Ugandans who save together and take small business loans to invest in their enterprises.

Since the start of 2016, the UK team's focus has been quite simple: to build on the robust, reliable and replicable model that has been honed over ten years by our local staff.

With that in mind, our plans for the future are equally focused – to exit sustainable, mature programmes and start new ones. In 2016 that was achieved when we celebrated the Thika programme's move to become a Savings and Credit Co-operative and started work in Morogoro, Tanzania and Kericho, Kenya. In 2017 our plans to expand continue with new Ugandan and Kenyan programmes. We will also be exiting the programme in Iringa, Tanzania which to date, has impacted the lives of over 10,000 women whilst continuing to support our fledgeling programmes elsewhere in the country.

SAVINGS-LED CLIENT NUMBERS



03 a look at the data PROGRAMME GROWTH

This year marked a step change in our growth. In the 10 years from 2006 - 2015, we began 6 new partnerships in Kenya, Tanzania and Uganda. In 2016 alone we launched two new programmes and laid the foundations for a third.

During 2016, 3,275 new members joined our programmes in Kenya, Tanzania and Uganda, for the first time accessing a safe place to save, small loans to invest in their businesses and the essential skills and training to use them well. At the end of 2016, our generous supporters enabled us to serve **19,078 households** directly - that's over 100,000 beneficiaries able to eat better quality food and invest more in healthcare and schooling thanks to their increased resilience and business profits.

Across Five Talents globally, including post-funding partners and programmes supported by Five Talents USA, our donors have impacted over 100,000 households, and 500,000 individuals indirectly.

In Kenya, our members saved £780,843 in new deposits in 2016 - an average of £4.48 per member per month. That might not sound like a lot but it soon adds up; our members across 4 regions have now **saved a total of £2,909,674** - an average of £200 each.

This represents a significant safety net for households living on the poverty line and means families no longer have to sell a productive asset like a cow, bicycle or sewing machine when they need funds for emergency medical treatment or to

meet their basic needs during times of drought or poor harvest. These savings are entirely the community's own funds; often money they didn't know they could save before they joined a Five Talents programme. Cumulative loans (all of which were taken from the members' own accumulated savings pot) reached £6,183,059 by the end of 2016. The average loan size disbursed in the year ranges from £113 to £424.

Every £1 invested by Five Talents in our Kenyan programmes since 2006 has unlocked £15 of economic activity - an incredible return on investment, made possible by your generosity.

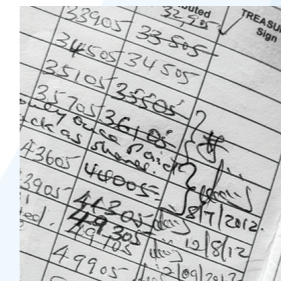
We look forward to achieving even more together as we continue to grow throughout 2017.

04 notes on a new branch IN KERICHO, KENYA

Kericho Community Development Trust was launched officially on October 30th 2016. This is a journey that began some years back when I saw a need to empower women; I realised that the women were lacking not because they were poor but because they lacked knowledge on how to mobilise the little resources they had. I started small saving groups and the impacts have been widely felt by families, churches and the community as a whole.

As of January 2017, we have 10 Savings and Loans Groups (known as Trust Groups) and the members have started saving together. Soon they will start making loans to each other. With the help of God, I plan to form more groups and continue training the existing groups on savings and loaning, leadership and running small businesses. I have a passion for this community work because I strongly believe I honour God by serving humanity.

**Emmy Ronah is the Programme Leader
of the new Kericho Branch in Kenya**



Microfinance Client
Iringa, Tanzania

introducing: 'start to sustainability' **IMPACTING 2500 LIVES**

Having heard about, and then witnessed first-hand, the transformational work of Five Talents in Thika (Kenya), we were excited to play a part in the establishment of a programme further west in Kericho. It is inspirational to see the enthusiasm of those charged with establishing the new savings groups and providing training and support, but also the communities and individuals eager to become members.

We observed a real need, and a genuine desire, for enterprise and the empowerment that can be provided by such a scheme. We particularly like the Five Talents model for sustainability at every level and look forward to the rapid growth and success of the Kericho programme over the next five years.

John & Janet Hartley are members of a five-year donor consortium that is funding our new Kericho programme



Shop Keeper & Solar Client
North of Morogoro, Tanzania



Ndakaini Lake
near Thika, Kenya

Savings & Loan Client
Embu, Kenya



06 2016 in review

BUILDING ON PROGRESS

Five Talents is at a tipping point. Over the last decade, we've honed our model for establishing transformational savings, loans and training programmes across East Africa. 2016 was the year when all of our learning came together as we launched our first 'Five Year Start to Sustainability' programme in Kericho, Kenya. Our new model takes the best elements of our past experience and addresses some of the mistakes we've inevitably made in the last 10 years. Our Kericho programme is:

Locally owned and managed: Kericho Community Development Trust (KCDT) is led by Emmy Ronoh (who describes her motivations earlier in this report) and every Trust Group writes its own Constitution and elects its own leaders. By working through the Anglican

Church, we have an entry point into the most remote villages; even where there is no road or clinic, there is a church. Of course, people of all faiths and none can join.

Savings & training-led: Members must save their own money week by week in a communal pot, and it is this money which they lend to one another after 6 months of essential business skills training. This makes for very high repayment rates and means growth is not limited by the availability of external loan capital.

Harnessing technology: We've introduced the award-winning Musoni system which means all member data is stored in the cloud. It makes all of our processes safer and more efficient, enabling us to ultimately offer cashless, paperless financial services to the unbanked.

Sustainable with an exit plan: After 5 years, KCDT will be a self-sustaining local institution able to continue operating even after Five Talents' funding has ended.

In 2016, as part of our growth plan, we exited our oldest programme in Kenya, celebrating its evolution to become a sustainable Savings and Credit Co-operative.

We also launched Five Talents Kenya which will help us replicate in new regions like Kericho, across Kenya and beyond. In 2017, we shall be launching a new programme in Karamoja, northern Uganda. Meanwhile, in Tanzania, in 2017 we will exit our final credit-led programme in Iringa and focus on our savings-led programme in Morogoro, also launched in 2016.

a platform to build on **GORDON SEABRIGHT**

As a new Trustee, it is exciting to have joined a charity that is thriving in a difficult environment. Fundraising isn't easy in such uncertain times, and the dramatic growth in income raised by Five Talents in 2016 is testimony to the excellence of the staff as well as the importance of the cause. And because of exceptional cost control, with central overheads reduced by over a third compared to the previous year, it has been possible to increase the number of grants provided to communities in East Africa. Indeed our investment in financial inclusion has more than doubled.

I'm proud to have joined such an impressive team, but we're all very much aware of how much more we can achieve as we build on a fine year.

**Gordon Seabright is Director of the Eden Project
and FTUK's newest Board Member**

+44%
2015 VS 2016 **INCOME**

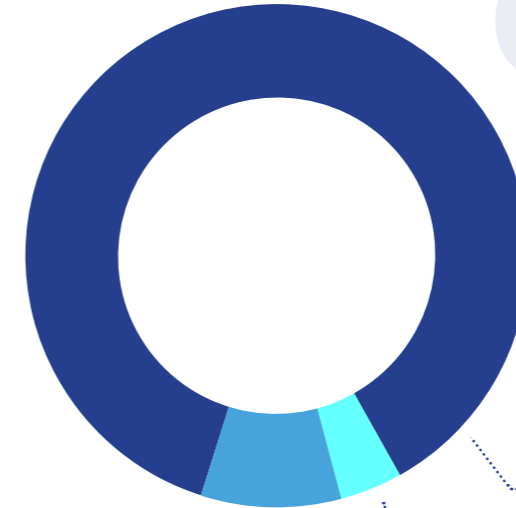
-35%
2015 VS 2016 **OVERHEADS**

+110%
2015 VS 2016 **TO PROGRAMMES**

2016 AUDITED ACCOUNTS

EXPENDITURE	Charitable Activity	£469,632
	Cost of Raising Funds	£52,887
	Governance	£20,883
		£543,402
INCOME	Individuals (One-off)	£143,300
	Individuals (Regular)	£110,600
	Gift Aid	£46,200
	Trusts and Foundations	£161,600
	Corporates	£113,700
	Churches, Schools, Organisations	£26,600
	Other	£34,599

Our full accounts were audited by MHA MacIntyre Hudson and are available on our website.



financial information EXPENDITURE

As a result of the generosity of our donors, over the course of 2016, Five Talents spent £469k on charitable activity. The grants sent to our programmes in 2016 were equivalent to the combined total of 2014 and 2015.

The Five Talents team of four reduced UK overheads by almost a third last year whilst increasing income by 44% to £636k.

86% **Charitable Activity**
4% **Governance**
10% **Cost of Raising Funds**



Child waiting outside
Trust Group, Tanzania

09 a changing landscape in Tanzania **INTRODUCING: TELFREIDA**

Over two hours outside Morogoro, down miles of dirt roads, there is a small village called Chanoarawe, where a new Tanzanian savings group has recently formed. They haven't yet received any loans and are still at the early stage of beginning to save, but the spark is there. A group of 20 women, including a market stall owner named Telfreida, have come together because they believe they can grow their businesses by saving together and gaining skills and knowledge from their local Five Talents' partner.

Telfreida is married with four children and runs a small business selling fruit, vegetables and other fresh groceries. There are piles of small dried fish on the table in front of her and she rearranges these and the bright red tomatoes as she tells us about her business and the

changes she and her family have experienced since the programme began.

When Mr Lugenge, who leads the programme in Morogoro, first came to their village, Telfreida went along and listened because she was intrigued to see what this savings group had to offer. She says Mr Lugenge educated them about the power of small business and introduced her to the concept of saving in a way that she hadn't heard of, or even thought of, before. What's more, this savings group allowed her to save via her mobile phone.

The main comfort that Telfreida has gained from the savings group is that she feels confident that she can cope with emergency bills or large one-off payments. She knows she'll be able to cover hospital fees

or school payments. She knows that the money she is saving, whilst it will get her a loan one day, also gives her and her family peace and security.

Leaving the village there are diversions off the badly rutted track, we pass a tractor stuck in a ditch, and see piles of red earth waiting to be smoothed into new roads.

Soon the village will be more accessible making it easier for the business owners to travel to buy and sell. By the time this happens, Telfreida will have added more products to her small shop and will be able to attract more passing trade. She knows that her savings and loans, combined with more training from Mr Lugenge, will give her the chance to expand her business and build a better future for her family.

10 innovative partnerships

TURNING ON THE LIGHTS

Martin's pub has been brightly lit for the last two months.

Not with the expensive, polluting kerosene used by many of his neighbours, but via a small solar panel installed on his roof. These kinds of panels would normally be much too expensive, but thanks to a partnership between M-KOPA and Five Talents' local partner organisation in Tanzania, Martin was able to take out a solar loan that breaks the cost of the solar grid down into a series of smaller payments.

Martin provides for his family with the profits from a small pub, just off the main road, a ten-minute motorbike ride down the hill from his house. The pub sells drinks as well as food and the family keeps a few chickens. Martin and his wife Winfreda have four of their own children ranging from six months

to sixteen and care for two others (one orphan and a second whose parents are too poor to care for her).

Thanks to his solar loan, Martin pays about 40p per day for the panel and four bulbs (one in his chicken coop, one in his bar, one in the seating area, and one just outside). The kit also includes a charging point for six phones and a TV. Martin says that now that he has the solar grid, his business has grown. He used to earn around £18 each week and now he earns £37 - more than covering the cost of repaying his solar loan and giving his family a significant boost in their income.

The solar grid makes a big difference since people pay to charge their phones and the pub is a popular place to watch the football on the TV. Martin says that although the price of the solar grid seemed high, it has enabled him to grow his

income so much that it now feels much more affordable.

During a quiet moment in the day, Martin showed us his house, driving up on his motorbike.

He was extremely proud to show us the home he has been building for two years. There are many other houses close by that are unfinished, perhaps showing just how difficult it is to meet these large capital costs without access to formal financial services - of course, mortgages are unheard of for low-income families in villages in rural Tanzania.

Martin says that since he invested in the solar grid, he has been able to make much faster progress building his house (he does all of the labour himself). It is moving to hear him talk about how he was recently able to move his entire family into the new home.



Martin, Pub Owner
& Solar Client

model evolution

SOLAR

Martin says that thanks to his solar loan, his income has increased significantly which means that life has improved for his children who can go to better schools, he is able to afford good food for the whole family, and he has been able to build them a better house. Although the house has no electric power (there aren't any power lines nearby), Martin hopes to buy a solar grid for their home, like the one he's bought for his business. Perhaps next time we visit, this will have happened.

Our model of financial inclusion is evolving to offer a much wider range of financial services to poorer families like Martin's - solar loans are just one example of the exciting ways our programmes are growing.

come and visit **EAST AFRICA**

Last year, I was fortunate to visit three Kenyan savings groups, two just starting and one established, and a local 'village bank'. My wife and I loved meeting the group members, mostly women, and as a dairy farmer myself, I was particularly interested to learn more about their cows! I was hugely impressed by their cattle rearing techniques and we were moved to hear how people's lives were improving thanks to their access to savings, loans and training. I heartily recommend you to join a Five Talents trip to see the work first-hand. You'll be led by their wonderfully dedicated local staff, welcomed warmly and quickly be convinced of the value of supporting Five Talents.

Mark Maclay visited our Kenyan programme in October 2016

School Children, Kenya



what else to expect in 2017

EVENTS & CELEBRATIONS

Over the course of 2017, we will be holding a number of events including the ongoing series of FTUK Breakfast Talks in breath-taking locations in the City; a summer reception hosted by former Archbishop Lord Rowan Williams in a beautiful Cambridge college; and even the chance to travel to Tanzania to take part in our inaugural Impact Marathon alongside more than fifty runners.

Whilst the best way to find out more about our programmes is to visit them, we also urge our supporters to come along to one of our events to hear more about how our model impacts the lives of our clients. Alternatively, if you'd like to get more involved in our events calendar, we're always glad to hear from volunteers or people with the keys to an interesting location!

To learn more about upcoming events, talks and receptions, please sign up to our mailing list at www.ftuk.org.uk/subscribe - don't worry, we won't use it to pester you!



SUE JOHNS, DIRECTOR OF OPERATIONS: Following a varied career in the Civil Service, Sue now heads up Five Talents' Operations. Sue has oversight for governance, fundraising, events and expanding our growing network of Advocates. As a lifelong Anglican, Sue also focuses on building our relationships with Churches in the UK.



RACHEL LINDLEY, PROGRAMME MANAGER: Rachel works with Five Talents' partners in East Africa to develop impactful and sustainable programmes. She has worked in charity & programme management since 2002 and for the last 10 years has been specialising in microfinance and increasingly, micro-savings programmes in East Africa. Beware she may persuade you to join our inaugural Impact Marathon!



HANNAH WICHMANN, PROGRAMMES & FUNDING: Hannah joined Five Talents two years ago after graduating with an International Development BA. Hannah works with Rachel, supporting our programme partners, whilst also building relationships with institutions and grant-making bodies.



BENEDICT SHEGOG, COMMUNICATIONS & OPERATIONS: Benedict heads up all of the print and digital communications, alongside the day-to-day management of the charity's finances and operations. He is also spending time on an international development MSc at SOAS.

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