



START TO **SUSTAINABILITY**

*What if it were  
possible to  
permanently  
impact the lives of  
2,500 households  
in East Africa?*

*Would you do it?*

## WHAT WE DO

Over the past twelve years, we've given over 35,000 impoverished households in East Africa a safe place to save, access to small loans and the skills to use them effectively, often for the very first time.

We've helped nurture thousands of businesses, built stronger communities, enabled families to eat better meals, improve their homes and access medicine when they need it.

We've heard parents speak with pride of being able to take their children to school – in fact, it is almost always the first thing our members say when we ask them how their lives have changed since they joined one of our programmes: 'Now my children are going to school.' Like us, members of our programmes simply want their children to have a better future than they did, and thanks to you, we estimate that over 140,000 children today have opportunities their parents never dreamt of.

Now, we want to do more.

## THE NEED

In some of our programmes 34% of our members live on less than \$1.25 a day (PPP). In others, 39% have received no education or only attended primary school. Typically, they struggle to earn a living as subsistence farmers or petty traders before they join our programmes.

Take Elizabeth, for example, a 30-year old mother of three. With nowhere safe to save the little money she sometimes earn, no access to small business loans, no banks willing to serve her and no formal training, her income generating options were limited.

In the past, when Elizabeth had faced a crisis such as sickness, theft or drought, she had no choice but to sell an income generating asset such as a cow or bicycle in order to cope, or to take a loan from an unscrupulous money-lender with extortionate rates of interest. This drove her family deeper into crisis – it's a vicious cycle that's nearly impossible to escape.

But Elizabeth is not a destitute victim. She is a woman who dropped out of school age 12, was abandoned by her husband age 19 but is still bringing up three children on her own with enormous reserves of courage.



## THE IMPACT

We know from our experience that a typical member will have saved over £150 five years after joining their village savings and loans group (known as a Trust Group). Over the same period a Trust Group can make loans totaling up to £3,400; a huge injection of economic activity.

A recent independent evaluation showed that 81% of members can afford to spend more on basic household needs such as food, medicine and education as a result of joining our programme. Importantly, the majority of clients were more able to cope with the unexpected shocks (sickness, crop failure, theft) which can so often drive vulnerable families back below the poverty line.

Our new five-year model will help over 2,500 households like Elizabeth's to build up their savings, then have the confidence, skills and capital to start a small business, increase their incomes and afford better food, healthcare and education.

Ambitiously, we want to start two new programmes like this every year, reaching over 65,000 households by 2023. Five Talents UK supported six new programmes in our first 10 years - but now we have the model, the expertise and the local networks to accelerate our impact significantly.



# THE INVESTMENT

**Six people** each giving **£10,000** a year for **five years**. This will fund **one new microfinance programme** in East Africa from start to sustainability.

# THE OUTCOME

**2,500 households** given a safe place to save & access to business loans.

**Thousands of microenterprises** boosted through increased skills and investment.

**Over 10,000 children** receiving a better education and more meals every day.

**48 communities** more resilient to crises such as droughts or poor harvests.

## THE MODEL

Five Talents UK has a proven, unique savings-led model of microfinance, a network of trusted local partners plus the expertise and experience to scale up our operations.

Now, we're ready to accelerate programme replication.

Over the course of five years, £300,000 will cover the costs of establishing a new, locally led and sustainable programme. The programme will have its own Board of Trustees and up to four members of staff who will form and train savings and loans groups in 48 villages over the five years, reaching 2,500 households.

# WHY IT WORKS

SUSTAINABLE,  
TRANSFORMATIONAL,  
INSPIRATIONAL

+

PARTNERING WITH  
THE CHURCH

+

TECHNOLOGY PROVIDING  
EFFICIENCY & SECURITY

## WHY IT WORKS

We do savings-led microfinance, not credit led, but unlike traditional savings groups, our Trust Groups don't disband every 12 months and start a new cycle. Instead, members keep on **accumulating their savings**, and new members can join at any time. This means the savings 'pot' available for lending keeps growing and, besides having emergency savings in case of accidents, sickness or drought, members can make meaningful investments in their small businesses. As profits increase, they spend more on improving their homes or businesses, feeding their families and sending their children to school.

We **partner with the Anglican Church** for the simple reason that there is a church in even the most remote, deprived village. Working through the Church gives us access to every community, and cuts our costs; Groups meet in churches for free and local partners have free office space too. We are motivated by our faith but we never proselytise, and people of all faiths and none join our programmes. Irrespective of their own beliefs, our members trust the Church.

We've introduced **cloud-based software** called the Musoni System to all of our programmes, enabling them ultimately to be cashless and paperless. Members will be able to deposit savings, take loans and make repayments through their mobile phones, and all records and transactions will be backed up on the cloud. This will save many hours at Trust Group meetings, leaving more time for the vital business skills training. It's also much safer than handling cash in remote communities, making our programmes more secure and efficient.

“

I felt myself a heroine when I accomplished my first loan, and it encouraged me to apply for the next loan.”

## DIGNITY NOT DEPENDENCE

“

Now my husband respects me and we discuss things as equals”.

## INCREASED RESILIENCE

71% of our members state that they can now manage unexpected events (like crop failure, sickness or theft) after joining their Group.

“

Now I cannot be afraid since I can start a business through my savings and also in case of unexpected things, I can take care of it.”

## INCREASED INCOME

81% of members can now afford to spend more on household expenses; 57% say they can now pay school fees more easily and 40% say they now eat more food each day - in contrast to 41% of the Kenyan population who say they sometimes or often go without food.

## STRONGER COMMUNITIES

“ I can get both financial and emotional support because it’s a networking opportunity to make new business acquaintances and make long term friends”.

# ● THE IMPACTS

## NEW SKILLS

“ I have opened two new businesses”.

“ Now I can separate business and household money”.

# KEY FACTS

Five Talents UK was founded in 2005 by Tom Sanderson, an economist by background. From small beginnings, it has grown in both income and impact, reaching a record high in 2017 when the UK team (just four employees) raised over £700,000 and started two new programmes, with two more new programmes planned to launch in 2018.

We're proud of being a small charity. People often say 'Is this it?' when they see the four staff sitting around one table in our little office. We combine management and leadership skills, development experience and communications expertise. This is cemented by our passion for our work and our sense of accountability to, and relationships with, both our Trust Group members in East Africa and our donors here in the UK.

We're also fortunate to be supported by some fantastic volunteers, a dedicated and professional Board of Trustees who are leaders in the worlds of business, finance, international development, law and the Church, we have a high profile Council of Reference who advocate for our work in the UK.

# 4 STAFF

IN THE UK

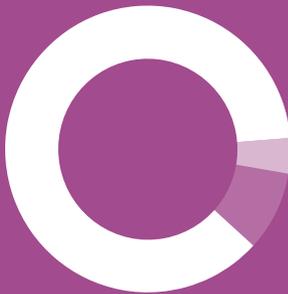
# 12 YEARS

OF EXPERIENCE

# 35,000

FAMILIES IMPACTED

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## 2016 EXPENDITURE

- ..... 86% Charitable Activity
- ..... 4% Governance Costs
- ..... 10% Cost of Raising Funds

# LOCAL PARTNERS

Five Talents has always worked through local partners. Unlike many NGOs, we trust our local partners to know what is best in their communities - we try not to impose Western methods and mindsets on them. We seek to work with them as partners not contractors.

This isn't always easy, but we believe it leads to much stronger and longer-lasting outcomes. If you've visited one of our programmes and met our local partner staff, you'll understand immediately why we have so much faith in them. If you haven't yet visited, we urge you to do so!

Five Talents Kenya was launched in 2016 and gives us the final cornerstone, alongside our model and our experience, to replicate with confidence. It is directed by Peterson Karanja, a development specialist with over 20 years of experience, and its Patron is the Archbishop of Kenya who is hugely supportive of our work and sees us as a key partner in his recently declared 'Decade of Economic Empowerment.'

*With your help,  
we will begin  
programmes  
in 14 new  
East African  
regions, transforming  
65,000 households &  
the lives & prospects  
of over 260,000  
children by 2023.*

# TYPICAL BUDGET

As each programme's context is unique, its budget is too, but here is the standard basis we expect to use. The total cost of the programme is c.£400,000, but almost £70,000 comes from member contributions. 62% of the budget is spent on forming and training Trust Groups - the chief cost being the monthly training and support that our local partners provide.

	Year 1 2018	Year 2 2019	Year 3 2020
<b>EXPENDITURE</b>			
Training of Boards, Clergy and Staff	£4,106	£2,876	£3,201
Capital Expenditure	£5,585	£1,844	£0
Governance (Board meetings)	£1,392	£1,044	£1,044
Local staff salaries	£17,778	£25,000	£25,000
Formation and Training of Trust Groups and Leaders	£6,022	£14,240	£21,631
Operational Expenditure (rent, audit, Musoni etc)	£6,034	£6,077	£6,566
Five Talents Kenya - monitoring costs	£5,000	£5,000	£5,000
Five Talents UK - monitoring costs	£3,000	£3,000	£3,000
Contingency and Inflation	£2,446	£2,954	£3,272
<b>Total Expenditure</b>	<b>£51,363</b>	<b>£62,035</b>	<b>£68,714</b>
<b>INCOME</b>			
Contribution from Diocese (some in kind)	£6,304	£6,615	£6,793
Grants from Five Talents UK via donor consortium	£60,000	£60,000	£60,000
Member contributions	£1,333	£4,000	£6,667
<b>Total Income</b>	<b>£67,637</b>	<b>£70,615</b>	<b>£73,460</b>
<b>BALANCE</b>	<b>£16,274</b>	<b>£8,580</b>	<b>£4,746</b>
Running Balance	£16,274	£24,854	£29,600
Number of members in the programme	600	1200	1800

A further 13% covers the operating and governance costs, 11% for monitoring, evaluation and capacity building from Five Talents Kenya and UK, 3% for capital expenditure and 3% for staff, Board and clergy training. The remaining 7% allows for contingencies and inflation.

<b>Year 4 2021</b>	<b>Year 5 2022</b>	<b>Year 6 2023</b>	<b>Year 7 2024</b>	<b>Year 8 2025</b>	<b>TOTAL</b>
£3,201	£3,201	£0	£0	£0	£16,585
£1,844	£0	£1,844	£0	£0	£11,117
£1,044	£1,044	£696	£696	£696	£7,656
£25,000	£25,000	£10,000	£5,333	£5,333	£138,444
£25,258	£18,831	£8,996	£4,107	£2,347	£101,432
£7,588	£7,588	£4,575	£3,984	£3,984	£46,396
£5,000	£5,000	£1,000	£1,000	£1,000	£28,000
£3,000	£3,000	£0	£0	£0	£15,000
£3,597	£3,183	£1,356	£756	£668	£18,232
£75,532	£66,847	£28,467	£15,876	£14,028	£382,862
£6,793	£6,837	£3,597	£3,169	£1,895	£42,003
£60,000	£60,000	£0	£0	£0	£300,000
£9,333	£10,667	£11,200	£11,760	£12,348	£67,308
£76,126	£77,504	£14,797	£14,929	£14,243	£409,311
£594	£10,657	£(13,670)	£(947)	£215	
£30,194	£40,851	£27,182	£26,235	£26,450	£26,450
2400	2520	2646	2778	2917	

*“Five Talents  
has a proven  
track record in  
helping people  
to lift themselves  
out of poverty...”*

## **KERICHO, KENYA**

“Five Talents has a proven track record in helping people to lift themselves out of poverty. I know, because I have seen their expansion over eight years.

“Now donors have a chance to invest in something more. If you commit to provide the same sum every year for five years, you can help establish a whole programme in Kenya, supporting thousands of individuals, become self sufficient. I helped to get the first one going and lots more are planned. Five Talents needs donors who commit for five years to an investment in people’s lives, giving rural communities dignity and self-sufficiency.”

Nigel Wildish is a member of our first five-year donor consortium that is funding our new Kericho programme

# STARTING A PROGRAMME

We're often asked how we choose a new region; the simple answer is that we don't. **Our model is based on local ownership** and this means we're demand-led.

When we're approached by a prospective new regional partner - typically a Bishop who has seen the **positive impacts of our work in a neighbouring region** - we carry out due diligence and ensure they are committed to contributing to the programme's success themselves. All of our programmes seek to serve the **'smaller, poorer and riskier'** communities; typically, those in remote, rural areas, post-conflict zones and regions which have suffered economic or political crises.

Next, we ask the Bishop to identify the right local leader for a new programme. This is the make or break factor and one of the strategic reasons we love working with the Anglican Church; the local Bishop can find a programme

leader with that rare combination we need: 'The mind of a banker, the heart of a pastor.' The Bishop must also offer us free or subsidised office space and utilities, plus personally and publicly support the new programme.

The local team then register a new organisation to manage the programme. **The local Board must also have members with financial, legal and community development expertise.** All Five Talents funding goes into a separate, ring-fenced bank account restricted for the new programme.

Peterson or one of our experienced local partners will then train the new staff, Board and the local clergy. Since our Trust Groups often meet in the local church for free, the clergy must be supportive too - and they have an **important role supporting less literate groups**, resolving disputes and acting as a sounding board for Trust Group members. Five Talents and Musoni, our technology partner, help set up the software we use.

Often the new staff team will spend a few weeks shadowing one of our established programmes.

# SEVEN STEPS



Form a group comprised of trusted friends who act as co-guarantors



Members receive Five Talents' unique curricula, covering financial literacy and ethical business principals



Money returns to saving pot, ready for recycling



On average, after 6 consecutive months of active saving, members are entitled to seek a loan



Interest is kept as dividends which are shared between the members



Loans repaid typically at 1% per month (significantly belowmarket rate) usually over the course of 3-12 months



Loans are made to members, on terms determined by the groups themselves



# JOIN US

**We can bring together the model**, the expertise, the technology and the network of trusted local partners to begin two new programmes every year for the next five years, reaching 65,000 households by 2023. All we need is the funding to make it happen. We're looking for small 'consortia' of donors to sponsor a new programme from Start to Sustainability.

**£60,000 a year for five years** will enable us to set up a new programme serving over 2,500 households in 48 villages in a previously unreachable region of East Africa. At the end of five years, the programme will continue to operate, sustainably.

Whether you join a consortium alone or with a group of friends, we promise it will be a hugely **rewarding experience**. You'll have the opportunity to attend the launch ceremony in the region and visit the villages your gifts are supporting. You'll be invited to exclusive events in the UK and receive regular impact updates from the field. Most importantly of all, you'll know that 10,000 children are going to school every day and whole families and communities are building a better future, thanks to your support.

*Can you help  
make a difference  
to 2,500+  
households?*

## BOARD OF TRUSTEES

<b>NEIL SANDY (CHAIR)</b>	CEO, Wellers LLP
<b>ANDREW MACLAY (TREASURER)</b>	Principal, BDO
<b>RT REV PETER HILL</b>	Area Bishop of Barking
<b>RACHEL HUBBARD</b>	Head of Non-Profit Practice, Saxon Bampfylde
<b>CHARLOTTE HUTCHINSON</b>	Former solicitor with Baker & MacKenzie
<b>REV CANON JOHN LIBBY</b>	National Director, Langham Partnership
<b>GRANT MASOM</b>	Independent Company Chairman
<b>GILL MILLER</b>	Prof. Development Studies, Chester University
<b>GORDON SEABRIGHT</b>	CEO, Eden Project
<b>TREVOR SMITH</b>	Non Executive Director, Endava Ltd.

## COUNCIL OF REFERENCE

**LORD CAREY OF CLIFTON**  
**LORD GRIFFITHS OF FFORESTFACH**  
**DR MARIA AKROFI**  
**BARONESS COX OF QUEENSBURY**  
**MAJOR GENERAL TIM CROSS, CBE**  
**CHARLES EVE**  
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