



**TURNING POINT SCOTLAND  
LIMITED**

**REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2006**

**CHARITY NO: SCO28827**

**COMPANY NO: SC194639**

**TURNING POINT SCOTLAND LIMITED**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006**

---

<b>INDEX</b>	<b>PAGE</b>
Legal and administrative information	1
Trustees report	2 - 11
Auditor report	12 - 13
Consolidated statement of financial activities	14
Consolidated balance sheet	15
Company balance sheet	16
Consolidated cash flow statement	17
Notes to the financial statements	18 - 29

# **TURNING POINT SCOTLAND LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2006**

---

### **Constitution**

Turning Point Scotland Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Registered charity number SCO28827 and company number SC194639.

### **Directors and trustees**

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees. The appointment, removal, power and duties of the trustees are as set out in the articles of association.

The trustees serving during the year and since the year end were as follows:

Paula Gilder	<i>(Chair)</i>
Colin Rae	<i>(Vice Chair)</i>
Keith Howell	
Estella Abraham	
Morag Alexander OBE	
Brian MacDonald	
Julia Palmer	
Joseph Hughes	
Vinaykant Ruparella	
Callum Allan	<i>(Appointed 14/9/05)</i>
Raymond Edwards	<i>(Appointed 14/9/05)</i>
Judith Illsley	<i>(Appointed 14/9/05)</i>
Brian Paterson	<i>(Appointed 14/9/05)</i>

All of the trustees perform a non-executive role.

### **Secretary and registered office**

T.C. Young and Son, 7 West George Street, Glasgow G2 1BA

### **Auditors**

Grant Thornton UK LLP, 95 Bothwell Street, Glasgow G2 7JZ

### **Bankers**

Royal Bank of Scotland plc, 469 Paisley Road, Glasgow

### **Solicitors**

T.C. Young and Son, 7 West George Street, Glasgow G2 1BA

# **TURNING POINT SCOTLAND LIMITED**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006**

---

The trustees present their report together with the audited financial statements for the year ended 31 March 2006.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

### **Results**

The income and expenditure account is included within the Statement of Financial Activities on page 14. The Group realised a surplus of £747,585 in the year to 31 March 2006. £74,000 of the surplus arose from Capital Grants given to the charity to purchase properties for specific projects, and £nil arose from the revaluation of the charity's properties.

### **Objects of the charity**

Turning Point Scotland is a registered charity and a company limited by guarantee. There are no shares and we are not a membership organisation. Our Directors have no financial interests in the company.

Turning Point Scotland provides services to Local Authorities and Health Boards who purchase health and social care services for people with drug, alcohol or mental health problems and for people with a learning disability. We also run associated services in criminal justice, young onset dementia and homelessness. All of these relate to our four service areas and all focus on adults. The Board has reviewed our geography and service sectors and has confirmed that Turning Point Scotland will continue to work in Scotland and with adults. Our charitable status and fundraising ability allows us to add value to the packages purchased.

As our status as a service provider grows we continue to contribute to the development of policy in Scotland by participating in working groups on drugs, alcohol, mental health and learning disability.

Turning Point Scotland is not committed to any one model of support or treatment for people believing that a person centred approach is likely to be most effective. This means that services differ and are designed around individual service users and geographies. It also means we are committed to redesigning services for individuals. We aim never to exclude people from our services and we believe that we live up to our claim that we make services fit people. Believing in person centred services means that we are committed to reducing support as well as increasing support. It is not our intention to continue to grow for growth's sake - instead our business plan states our intention to get bigger, but only if by so doing, we get better.

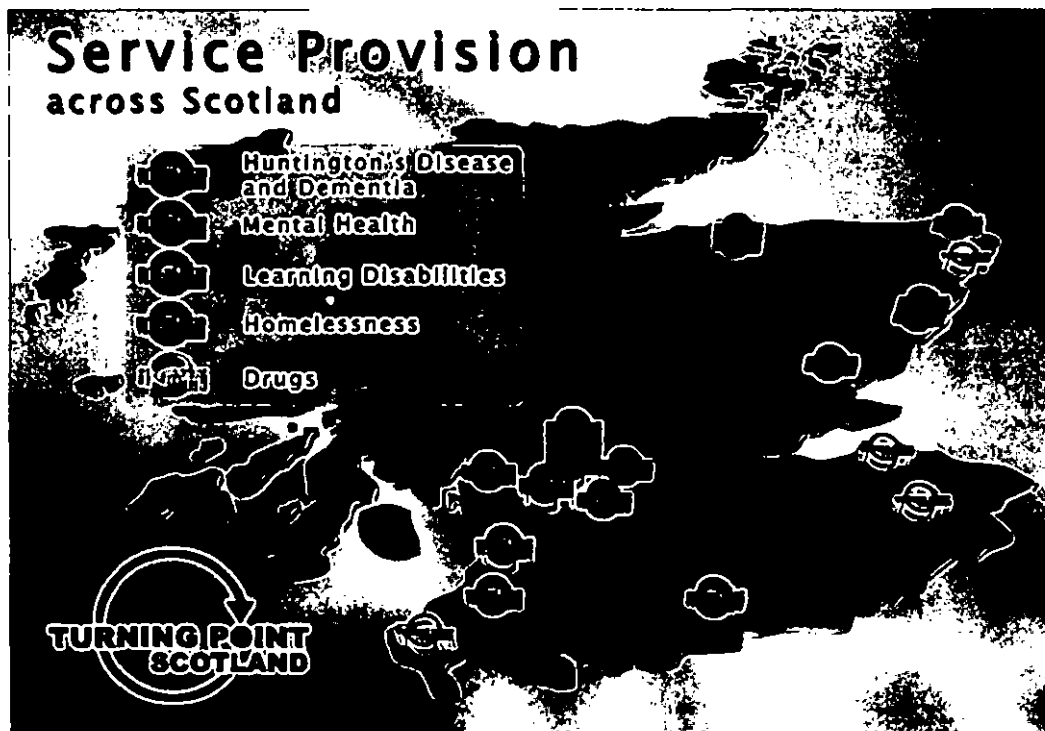
Our services include registered care homes, respite services, day activity and support services, supported tenancies, community drug services, education and employment opportunities.

### Background to the charity

Turning Point Scotland was established on 1 April 1999. Its principal reason for existence is: To protect and/or further the health of individuals suffering problems related to alcohol or drug dependency, mental disorder, learning disabilities or any other disability, through the provision of care, support, treatment, training, education or other appropriate service (Memorandum and Articles of Association).

### Service Provision

We provide 38 services managed by 32 Service Managers.



All of these services are purchased by local authorities who specify the service level Turning Point Scotland must provide.

Services are provided in a range of settings and include residential care facilities, crisis centres, support to people in their own homes, day centre or programmed activities, supported employment. Services are customised to the needs of those using the service and to the locality within which the service operates. The aim of all services is to **make the service fit the person** and to make the person as independent as possible.

In 2005 - 06 we provided support to 10,683 service users (317 in learning disabilities services; 9,759 in drugs services; 270 in mental health services and 337 in other services eg homelessness, alcoholism, Huntingdon's disease) in 136 sites across Scotland. Many of Turning Point Scotland's service users have complex overlapping needs and may access several services at once.

To be able to do this we employed 1,318 staff (1,124 permanent staff and 194 sessional workers) in 2005-06.

We have a training programme in place to ensure staff have core training for the work they undertake but also to ensure that staff receive the training which will allow them to comply with the requirements of the Scottish Social Services Council. In 2005 - 06, 36 staff completed their SVQ3, and 8 completed their Registered Managers Award. The training programme offered a total of 640 courses over the year in addition to external training purchased on behalf of staff.

### **Regulation**

All bar 2 services are registered with the Care Commission. Over the year we had 25 inspections. Of these, only 4 required Turning Point Scotland to take immediate action. Learning from all of these visits was gathered to allow staff to make changes across Scotland.

### **Staff and Service User involvement**

In 2005 - 06 we continued to develop the role of the Staff Council to improve staff influence in the charity for staff who did not choose to belong to the recognised trade union. This staff/employer initiative will require some time to make best impact.

In response to service user requests we began a process to establish a Service User forum. This process is being facilitated by one of the Board and a staff member. Full consideration of its development potential will be made at the Board's annual Strategy Day.

### **Premises**

We operate from a range of premises trying to ensure that buildings are accessible and pleasant to be in. We have both leased and owned premises. Being able to purchase premises has been of benefit to those who use our services and to those purchasers who have had difficulty with capital programmes. It has also helped to develop the asset base of the charity.

### **Strategic direction**

The Board reviewed the Mission Statement during the year and changed it in response to learning from services and service users. We also choose to include an aspiration to influence social policy. The new Mission Statement sets the future direction for the organisation and is at the heart of our new business plan: **"Turning Point Scotland provides person centred support to adults with a range of complex needs. We learn from services and service users and seek to influence social policy". \***

### **Fundraised income**

The charity works actively to increase the value it brings to public contracts and its fundraiser raised £464,603 over the year for services. We would like to thank the following trust funds which supported Turning Point Scotland:

- Big Lottery Fund
- CLAN Edinburgh
- Communities Scotland - Futurebuilders
- Co-op
- Dulverton Trust
- Esmee Fairbairn Foundation
- Gannochy Trust
- KPMG Foundation
- Lloyds TSB Foundation for Scotland
- Lloyds PDI
- Monument Trust
- Robertson Trust
- Scotland against Drugs
- Shell Exploration
- Henry Smith
- Tudor Trust

### **Monitoring performance**

Turning Point Scotland seeks to gather a range of information to ensure that it is monitoring its performance adequately. Such information is reported on at Board meetings, in contract compliance and via inspections and reports to a range of regulatory bodies. Information is gathered and analysed in the following areas: financial management, people management information including absenteeism, turnover and training, health and safety information, quality systems, service user outcomes and staff outputs.

We have set targets in many areas. In the past year we can evidence that our absence rate has decreased, our accident rate has decreased, our first IMPAQT review has taken place, every service has an improvement plan in place, our reserves have increased and we have piloted service user outcome measures in mental health and homelessness services, in learning disability and in drug services.

There is more work to do in measuring our impact on service user lives but the following three case studies extracted from three services demonstrate just some of the differences our service provision can make. All names have been changed and examples are drawn from three different service sectors we are involved in.

**Case study 1**

Mary was referred at the beginning of October 2005. She was using 3 gr IV cocaine daily and 2 bags of IV heroin and up to 100mgs street valium daily. She was involved in prostitution to fund her habit. She also has previous convictions for shop lifting, misuse of drugs and section 46. Following the breakdown of her last relationship Mary had found herself homeless.

Mary was admitted to the residential unit in October 2005.

On admission, Mary was seriously underweight and had also been self-harming by pulling large chunks of her hair out. Her scalp was badly inflamed and Mary had taken to wearing a hat at all times. Mary's self-esteem and confidence were extremely low.

The priority on Mary's admission to the unit was to stabilise her drug use and carry out a comprehensive health assessment. Mary was referred to the in-house dietician, C.P.N., dentist and reproductive health nurse. The Procurator Fiscals Office was also contacted to enquire about any outstanding charges or court appearances in order to support Mary to deal with any offending issues.

Mary found the first week of her stay difficult and was very emotional and vulnerable. However with a high level of one-to-one sessions and support from the C.P.N., Mary settled into the unit and was soon fully engaging in the programme. Mary's progress in the unit was extremely positive and she also re-established contact with her father and daughter and visits were facilitated by staff. Mary started to develop coping mechanisms and she was no longer self-harming.

Prior to being admitted to the service, Mary had been sporadically in contact with another voluntary sector agency but due to her lifestyle was unable to maintain regular contact. Once settled in the service, Mary identified this service as a valuable support structure, and she recognised that she was now ready to exit prostitution. Mary re-established contact with her support worker from this service and they had regular contact during Mary's stay. Her worker accessed a temporary furnished flat and in November, Mary moved into her new home.

Mary continues to receive support from the TPS day service and also from the other agency. Mary attends the clinic to receive her methadone. Mary is staying near her father and daughter and is in regular contact with her family. Mary has no outstanding legal issues. Health wise, Mary has gained a suitable amount of weight and is not presently self-harming. Mary states she is feeling much more confident and in control of her life.

**Case study 2**

Dan is 37 and has a history of polysubstance misuse, mental health problems, homelessness and sexual abuse. He started sniffing glue at 17, became addicted to heroin at 18 and began to drink to excess. He was diagnosed with depression and schizophrenia at 16 and has been admitted to hospital on a number of occasions because of his mental health problems.

His housing history is very erratic including long periods of drifting from hostel to hostel and being barred from most of them. At 31 he was allocated a place in supported housing, where he lived for six



years. Dan was happy during this time, didn't misuse substances and took his prescribed medication regularly. Policy in the unit changed and residents were allowed to drink. Dan felt that this was his downfall. He returned to polysubstance misuse and lost his accommodation.

When Dan first came to Turning Point Scotland, he was extremely vulnerable and neglected. He was distressed and malnourished, and had glue on his hands, hair and clothes. Shortly before arriving at the service, he had been staying at a DSS hotel, but left to live on the streets because other residents were bullying and threatening him. Dan had not eaten for seven days and was very emotional and frightened.

Dan was admitted and stayed for the full four weeks. Staff ensured that a care manager was in place for him. His physical health improved dramatically and he gained one and a half stones in weight. His mental health also improved as his confidence grew. He also interacted well with other residents.

Dan participated in many activities during his stay. He went on trips to the cinema and swimming pool with staff and other residents. He carried out his daily chores, frequently assisting other residents who couldn't do theirs because they were ill or tired. During his third week, Dan bought himself a guitar and played it in the garden each day, an activity he took great pleasure in.

Dan needed accommodation with support for his mental health and substance misuse problems. He was referred on to another provider and suitable accommodation was found after a month. During that time, Dan relapsed and was readmitted for 12 days detox to stabilise him. The new provider continues to work with him.

### **Case study 3**

Callum is aged 45.

He has a learning disability, a personality disorder and a range of physical and mental health problems. He had been detained in hospital under the Mental Health Scotland Act (1984). His medical needs are high and medication is required 15 times per day.

Health care staff were extremely concerned about his ability to survive in the community and about a voluntary sector provider's ability to provide appropriate care.

Callum moved into supported living with Turning Point Scotland in 2005.

He requires support/supervision throughout his waking day and staff must also carry out night time checks. The staff team requires both nursing and social care skills.

In hospital his life was contained to the hospital site in the main apart from one organised activity. Staff in the hospital were not able to take him out much. He had little money and little opportunity to lead a fulfilling life. This is not a negative reflection on the hospital or its staff as they do not exist to help people live in communities.

He has now lived in the community for 1 year. His health still presents a challenge and he does still require hospital interventions. However when his health is good he is active in the community – he goes

to pubs and clubs, he goes to pop concerts, he goes to the horse racing and football. He enjoys buying clothes, he is planning a holiday and his ambition is to fly.

Living in the community is probably less safe for him and may shorten his life expectancy but the balance is that life is more satisfying while he has it.

#### **External accreditation**

We are recognised (and have been re-recognised on two occasions) as Investors in People. We are Positive about Disability employers. We hold the Bronze Award for Scotland's Health at Work Campaign and we have Invested in Excellence (using EFQM as our framework and establishing a range of benchmarking partners to allow us to measure performance).

#### **The External Environment**

In the external environment there continues to be opportunities to tender for new business. Turning Point Scotland has not actively sought business growth as an aim in itself over the past three years following a period of rapid growth between 2000 and 2003. In 2005 Directors reviewed this and set a business plan in place that specifically aimed for service development and business development which will allow the charity to develop into new areas.

They also reviewed services where there were ongoing difficulties. In some, review and reinvestment allowed the service to refresh itself and continue but one major service had such financial difficulties that the Board took the decision in December to terminate the contract. The Glasgow Learning Disability services will transfer to new providers in the financial year 2006 - 2007. This will lead to a reduction in turnover of £6m but means that the Directors can now put to use the substantial sum of money previously used to meet the funding gap. This will allow development of services in other parts of Scotland.

#### **Governance**

The Board reviewed its own make up and advertised across Scotland to fill the gaps created by Board members resigning who had served the charity for the maximum period of 6 years. The response was strong and 4 new Directors joined in September 2005. New Board members received induction training. All Board members were offered specific training in the organisational grievance and discipline procedures.

We wish to express our thanks to the two Board members who retired, Morag Alexander and Brian Macdonald, and to Keith Howell who stood down as Chair after two years.

The Board established an Audit Committee which is chaired by Joseph Hughes. It meets about 4 times per annum.

The Board has also started a process for assessing and improving the extent to which its governance arrangements comply with good practice, specifically the Code of Governance for the Voluntary and Community Sector.

## Conclusion

So we conclude our report for the year 2005 - 2006. We have agreed our new business plan and added to our Mission to ensure that our service user voice is heard and listened to. We face the coming year looking forward to entering new geographies and new services. We will continue on our path towards excellence and will ensure that services continue to fit people even better.

\* "The Mission Statement for the first 6 years of Turning Point Scotland's life was: "Turning Point Scotland tackles social exclusion by developing customised care services for people with serious problems arising from their drug or alcohol misuse, their mental health problems or their learning disability"

The management team comprises:

Netta Maciver OBE	-	Chief Executive
Kenneth Crawford	-	Finance and Resources Manager
Wendy Spencer	-	Senior Operations Manager
David Bleasdale	-	Operations Manager
Graham Findlay	-	Operations Manager (resigned 29/5/05)
Graeme Henderson	-	Operations Manager (resigned 16/9/05)
Iain Irvine	-	Operations Manager
Brian Murphy	-	Operations Manager
Adrian Davies	-	Operations Manager
Craig Winters	-	Operations Manager
Garry Sutherland	-	Operations Manager (appointed 11/7/05)
John Campbell	-	Operations Manager (appointed 1/12/05)
Ian Johnstone	-	Head of HR & Training
Andrea Wood	-	Quality (resigned 04/08/06)

## **TURNING POINT SCOTLAND LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006**

---

#### **Investment powers**

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the Directors see fit.

#### **Reserves and risk management**

The charity has two categories of reserves - Restricted Funds (can only be used for specific services) and Unrestricted Funds (can be used by the company). Further details of these funds can be found in note 16.

As part of the overall Reserves Policy and part of the Risk Management Policy the company is working towards achieving Unrestricted Reserves of three months' salary costs.

The next stage of the charity's growth will aim to give better geographic spread in Scotland with more support being available in each of these localities.

The company has a company wide risk management plan within which financial risks are assessed and managed. The company has no foreign transactions and therefore is not exposed to currency exchange risks.

The company has acted to reduce its interest rate risk by entering an arrangement with our bank which limits our risk to +1% of the base interest rate. It invests part of its cash assets in longer term investment at higher interest rates and the remainder is held as cash within the main banking account which is also tied to the base interest rate.

Borrowing is only used for property acquisition and the risk is minimised by having a third party invest 30% of the cost in the residential properties we acquire.

All services are purchased by local authorities who have entered into a contractual agreement with the company to provide services on its behalf. There is government legislation in place to ensure payment is made within set time limits.

#### **Related parties**

The trustees receive no remuneration for fulfilling their role as trustees. Total expenses of £1,377 were reimbursed to the trustees during the year.

Turning Point Scotland Limited operates contracts on behalf of Turning Point Scotland Services Limited, its 100% owned subsidiary. During the year, Turning Point Scotland Limited invoiced a sum of £22,886,424 to its subsidiary in respect of these contracts. In addition £13,354 in payroll costs were recharged to the subsidiary for management services provided.

#### **Trustees' responsibilities for the financial statements**

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of

# TURNING POINT SCOTLAND LIMITED

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2006

---

resources, including the net income or expenditure of the group for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985. A resolution to re-appoint them will be proposed at the Annual General Meeting.

**The financial statements were approved by the Board on**

**Paula Gilder**  
Trustee

*P. M. Gilder*  
13 September 2006

## TURNING POINT SCOTLAND LIMITED

### REPORT OF THE INDEPENDENT AUDITORS'

---

#### **To the members of Turning Point Scotland Limited**

We have audited the group financial statements (the "financial statements") of Turning Point Scotland Limited for the year ended 31 March 2006 which comprise the principal accounting policies, the group statement of financial activities (incorporating the group income and expenditure account), the group and charitable company balance sheets, the group cash flow statement and notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### *Respective responsibilities of trustees and auditors*

The responsibilities of the trustees (who are also the directors of Turning Point Scotland Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report/the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

# TURNING POINT SCOTLAND LIMITED

## REPORT OF THE INDEPENDENT AUDITORS'

---

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2006 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements for the year ended 31 March 2006.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

Glasgow 13 Sept. 2007

# TURNING POINT SCOTLAND LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2006

	Note	Unrestricted funds £	Restricted funds £	2006 £	2005 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
- Voluntary income		18,432	24,479	42,911	38,099
- Investment income	3	87,723	-	87,723	128,464
Incoming resources from charitable activities	2	26,902,624	377,487	27,280,111	26,034,490
<b>Total incoming resources</b>		<b>27,008,779</b>	<b>401,966</b>	<b>27,410,745</b>	<b>26,201,053</b>
<b>Resources expended</b>					
Costs of generating funds					
- Costs of generating voluntary income	4	41,494	-	41,494	34,714
Governance Costs	5	24,439	-	24,439	19,094
		26,212,165	385,062	26,597,227	24,815,698
<b>Total resources expended</b>		<b>26,278,098</b>	<b>385,062</b>	<b>26,663,160</b>	<b>24,869,506</b>
<b>Net incoming resources before revaluations</b>		<b>730,681</b>	<b>16,904</b>	<b>747,585</b>	<b>1,331,547</b>
<b>Transfer between funds</b>		<b>3,972,084</b>	<b>(3,972,084)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>4,702,765</b>	<b>(3,955,180)</b>	<b>747,585</b>	<b>1,331,547</b>
<b>Total funds brought forward</b>		<b>2,638,703</b>	<b>3,972,084</b>	<b>6,610,787</b>	<b>5,279,240</b>
<b>Total funds carried forward</b>		<b>7,341,468</b>	<b>16,904</b>	<b>7,358,372</b>	<b>6,610,787</b>

All income and expenditure is from continuing activities.

The notes on pages 18 to 29 form part of these financial statements.



# TURNING POINT SCOTLAND LIMITED

## CONSOLIDATED BALANCE SHEET AT 31 MARCH 2006

	Note	£	2006 £	£	2005 £
<b>Fixed assets</b>					
Tangible assets	11		3,993,355		3,753,400
Investments	12		-		-
			<u>3,993,355</u>		<u>3,753,400</u>
<b>Current assets</b>					
Debtors	13	2,204,897		3,539,789	
Cash at bank and in hand		3,004,781		1,907,224	
		<u>5,209,678</u>		<u>5,447,013</u>	
<b>Creditors: amounts falling due within one year</b>	14	(1,401,813)		(2,084,901)	
<b>Net current assets</b>			<u>3,807,865</u>		<u>3,362,112</u>
<b>Total assets less current liabilities</b>			7,801,220		7,115,512
<b>Creditors: amounts falling due after more than one year</b>	15		(442,848)		(504,725)
<b>Net assets</b>			<u>7,358,372</u>		<u>6,610,787</u>
<b>Reserves</b>					
Restricted funds	16		16,904		3,972,084
Unrestricted funds	16		7,341,468		2,638,703
<b>Net reserves</b>			<u>7,358,372</u>		<u>6,610,787</u>

The financial statements were approved by the Board on 13 September 2006.

*P. M. Gilder*  
**Paula Gilder**  
 Trustee

*Joseph Hughes*  
**Joseph Hughes**  
 Trustee

The notes on pages 18 to 29 form part of these financial statements

**TURNING POINT SCOTLAND LIMITED**

**COMPANY BALANCE SHEET AT 31 MARCH 2006**

	Note	2006	2005
		£	£
<b>Fixed assets</b>			
Tangible assets	11	3,993,355	3,753,400
Investments	12	1	1
		<u>3,993,356</u>	<u>3,753,401</u>
<b>Current assets</b>			
Debtors	13	4,440,279	4,731,334
Cash at bank and in hand		342,168	21,382
		<u>4,782,447</u>	<u>4,752,716</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(992,439)</u>	<u>(1,403,461)</u>
<b>Net current assets</b>		3,790,008	3,349,255
<b>Total assets less current liabilities</b>		<u>7,783,364</u>	<u>7,102,656</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(442,848)	(504,725)
<b>Net assets</b>		<u>7,340,516</u>	<u>6,597,931</u>
<b>Reserves</b>			
Restricted funds	16	16,904	3,935,544
Unrestricted funds	16	7,323,612	2,662,387
<b>Net reserves</b>		<u>7,340,516</u>	<u>6,597,931</u>

The financial statements were approved by the Board on 13 September 2006.

*P. M. Gilder*

**Paula Gilder**  
Trustee

*Joe Hughes*

**Joseph Hughes**  
Trustee

The notes on pages 18 to 29 form part of these financial statements.

**TURNING POINT SCOTLAND LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006**

	Note	£	2006 £	£	2005 £
<b>Net cash (outflow)/inflow from operating activities</b>	21		1,522,070		(621,359)
<b>Returns on investments and servicing of finance</b>					
Interest received		87,723		128,464	
Interest paid		<u>(33,716)</u>		<u>(36,678)</u>	
<b>Net cash inflow from returns on investments and servicing of finance</b>			54,007		91,786
<b>Investing activities</b>					
Payments to acquire tangible fixed assets		(330,730)		(1,603,671)	
Capital grants received		<u>74,000</u>		<u>291,627</u>	
<b>Net cash (outflow)/inflow from investing activities</b>			<u>(256,730)</u>		<u>(1,353,071)</u>
<b>Net cash (outflow)/inflow before financing</b>			1,319,347		(1,882,644)
<b>Financing</b>					
New loans		519,764		-	
Loans repaid		<u>(566,172)</u>		<u>(52,468)</u>	
<b>Net cash (outflow)/inflow from financing</b>			(46,408)		(52,468)
<b>(Decrease)/increase in cash and cash equivalents</b>			<u>1,272,939</u>		<u>(1,935,112)</u>

The notes on pages 18 to 29 form part of these financial statements.

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and have been prepared in accordance with the Statement of Recommended Practice 2005, "Accounting and Reporting by Charities" and applicable accounting standards. The following accounting policies have been applied:

**Basis of consolidation**

The statement of financial activities (SOFA) and the consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking, Turning Point Scotland Services Limited. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of the 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. No separate SOFA has been presented for the charity alone as permitted by section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

**Incoming resources**

**Charitable trading activities**

Rental income from the charity's properties and income from café sales is included in incoming resources in the period to which it relates.

**Donations and grants**

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

**Interest receivable**

Interest is included when receivable by the charity.

**1 Accounting Policies (Continued)**

***Resources expended***

Resources expended are included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

***Governance Costs***

These costs include the cost of governance arrangements which relate to the general running of the charity as opposed to the management functions inherent in generating funds, service delivery and programme or project work. This includes such items as internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

***Tangible fixed assets and depreciation***

Items costing less than £3,000 are not capitalised. Capital items which are used exclusively on a particular project are written off to that project's expenditure in the year of acquisition. All other fixed assets are recorded at cost or valuation less depreciation. Depreciation is provided to write off the cost, less estimated residual values, of tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	-	2% straight line
Motor vehicles	-	20% straight line
Fittings and equipment	-	15% straight line

***Pensions***

The company participates in the Turning Point Pension Scheme, a multi-employer defined benefits pension scheme. Pension contributions are charged to the income and expenditure account to spread the cost of pensions over the employees' working lives.

***Restricted funds***

Restricted funds are to be used for specific purposes as laid down, either implicitly or explicitly, by the donor. Expenditure which meets the criteria is identified to the fund, together with a fair allocation of overhead support cost.

Included within Restricted funds is a grant from the Big Lottery amounting to £49,902.

***Unrestricted funds***

Unrestricted funds comprise fund raised and other incoming resources received or generated for charitable purposes.

***Designated funds***

Designated funds are funds ear marked for particular purposes.

**TURNING POINT SCOTLAND LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)****2. Incoming resources from charitable activities**

Revenue grants are received by the Charity and represent amounts for individual projects. The grants are matched against the expenditure of the individual projects for which they were received.

**Analysis by type of income**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2006 £</b>	<b>2005 £</b>
Revenue grants	15,872,602	377,487	16,250,089	14,299,048
Capital grants	74,000	-	74,000	291,627
Rental income	1,083,068	-	1,083,068	1,010,285
Other income	499,392	-	499,392	1,046,732
Supporting People income	7,596,885	-	7,596,885	7,794,139
Supporting cost income	1,776,677	-	1,776,677	1,592,659
	<u>26,902,624</u>	<u>377,487</u>	<u>27,280,111</u>	<u>26,034,490</u>

**3. Incoming resources - Investment income**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2006 £</b>	<b>2005 £</b>
Bank interest	<u>87,723</u>	<u>-</u>	<u>87,723</u>	<u>128,464</u>

**4. Resources expended - Costs of generating voluntary income**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2006 £</b>	<b>2005 £</b>
Staff costs	35,291	-	35,291	32,703
Project running costs	6,203	-	6,203	2,011
	<u>41,494</u>	<u>-</u>	<u>41,494</u>	<u>34,714</u>

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)

## 5. Resources expended - Governance costs

	Unrestricted funds £	Restricted funds £	2006 £	2005 £
Audit fees	23,062	-	23,062	16,442
Board running costs	1,377	-	1,377	2,652
	<u>24,439</u>	<u>-</u>	<u>24,439</u>	<u>19,094</u>

## 6. Resources expended - Charitable activities

	Unrestricted funds £	Restricted funds £	2006 £	2005 £
Staff costs	21,814,995	280,752	22,095,747	20,242,650
Company running costs	3,640,898	102,810	3,743,708	3,684,163
Interest paid	33,717	-	33,717	36,678
Maintenance costs	216,346	-	216,346	358,435
Rent paid	506,209	1,500	507,709	493,772
	<u>26,212,165</u>	<u>385,062</u>	<u>26,597,227</u>	<u>24,815,698</u>

## 7. Employees

Staff costs consist of:

	2006 £	2005 £
Wages and salaries	19,667,249	18,345,897
Social security costs	1,589,518	1,367,337
Other pension costs	874,273	562,119
	<u>22,131,040</u>	<u>20,275,353</u>

The average monthly number of employees during the year was as follows:

	2006 £	2005
Salaried	1,124	1,001
Sessional	194	191
	<u>1,318</u>	<u>1,192</u>

**TURNING POINT SCOTLAND LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)****8. Trustees**

The trustees received no emoluments during this or the prior year.

**9. Net incoming resources**

Net incoming resources for the year are stated after charging:

	2006 £	2005 £
Auditors remuneration		
- for audit services	23,062	17,092
- for taxation services	4,550	3,413
Depreciation of fixed assets	90,774	5,630

**10. Taxation**

As a registered charity, the company is exempt from tax.

**11. Tangible assets**

	Freehold property £	Motor Vehicles £	Fixtures and Equipment £	Total £
<b>Group and Company</b>				
<i>Cost or valuation</i>				
At 1 April 2005	3,738,388	57,155	44,307	3,839,850
Additions	301,788	-	28,941	330,729
<b>At 31 March 2006</b>	<u>4,040,176</u>	<u>57,155</u>	<u>73,248</u>	<u>4,170,579</u>
<i>Depreciation</i>				
At 1 April 2005	-	57,155	29,295	86,450
Provided for the year	80,803	-	9,971	90,774
<b>At 31 March 2006</b>	<u>80,803</u>	<u>57,155</u>	<u>39,266</u>	<u>177,224</u>
<i>Net Book Value</i>				
<b>At 31 March 2006</b>	<u>3,959,373</u>	<u>-</u>	<u>33,982</u>	<u>3,993,355</u>
<b>At 31 March 2005</b>	<u>3,738,388</u>	<u>-</u>	<u>15,012</u>	<u>3,753,400</u>

The company's properties were revalued on 17 June 2005 by Barr Brady, Chartered Surveyors at open market value.

The cost of freehold property shown above is net after deduction of a grant received from Scottish Homes (now Communities Scotland) in 2000 of £18,365.



# TURNING POINT SCOTLAND LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

Communities Scotland has a standard security over the property at Mansewood Road.

In addition to the above, grants have been received from Argyll & Clyde Heath Board, Renfrewshire Council and Inverclyde Council totalling £270,602 toward the purchase of Glenfield Avenue, Phoenix Grove, Annetyard Drive, Turnhill Drive and Station Wynd.

A grant for £242,597 was also received from the National Lottery Charity Board for the purchase of a property in Holburn Street, Aberdeen. Further details are noted in note 18.

### 12 Fixed asset investments

	Group £	Company £
<i>Cost and net book value</i>	-	1
At 1 April 2005 and 31 March 2006		

Investments relate to an investment in a subsidiary, Turning Point Scotland Services Limited, a company registered in Scotland, comprising a holding of 100% of its issued ordinary capital.

Turning Point Scotland Services Limited was incorporated on 18 March 2003.

During its latest financial year, Turning Point Scotland Services Limited made a surplus after tax of £66,827 and at the end of that year the aggregate of its capital and reserves was £79,135.

### 13 Debtors

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Trade debtors	1,525,699	2,905,559	307,655	256,028
Amounts due from group undertakings	-	-	3,453,426	3,841,076
Other debtors	568,537	543,708	568,537	543,708
Prepayments and accrued income	110,662	90,522	110,661	90,522
	<u>2,204,898</u>	<u>3,539,789</u>	<u>4,440,279</u>	<u>4,731,334</u>

All amounts shown under debtors fall due for payment within one year.

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)

## 14 Creditors: amounts falling due within one year

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Bank overdraft	-	175,382	-	175,382
Bank loans	71,000	55,531	71,000	55,531
Trade creditors	75,311	163,553	75,311	163,553
Taxation and social security	548,861	802,514	533,510	521,981
Other creditors	616,168	772,645	222,145	371,738
Accruals and deferred income	90,473	115,276	90,473	115,276
	<u>1,401,813</u>	<u>2,084,901</u>	<u>992,439</u>	<u>1,403,461</u>

The bank overdraft facility is secured by a bond and floating charge over all of the company's assets. The bank has first standard security over the company's properties at Mansewood Road, Maryhill Road, Glenfield Avenue, Phoenix Grove, Garpel Cottage, Turnhill Drive, Annetyard Drive, Station Wynd, Overwiid Drive, Maryholme Farm and Govan Road.

The loans are repayable over period 10 years. Interest is charged at 1% above the bank's base rate.

## 15 Creditors: amounts falling due after more than one year

### Group and Company

	2006 £	2005 £
Bank loans	<u>442,848</u>	<u>504,725</u>
Included within the above are amounts falling due as follows:		
In 1 - 2 years:		
Loan instalments	71,000	58,863
In 2 - 5 years:		
Loan instalments	213,000	177,212
In more than 5 years:		
Loan instalments	<u>158,848</u>	<u>268,650</u>
	<u>442,848</u>	<u>504,725</u>

Details of securities and repayment terms can be found in note 14 above.

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)

## 16 Reserves

### Group

#### *Restricted funds*

	At 1 April 2005 £	Transfer to Unrestricted Funds	Retained for year £	At 31 March 2006 £
Restricted development reserves	3,411,537	(3,411,537)	16,904	16,904
Capital	539,545	(539,545)	-	-
Maintenance	12,308	(12,308)	-	-
Fund raising	8,694	(8,694)	-	-
	<u>3,972,084</u>	<u>(3,972,084)</u>	<u>16,904</u>	<u>16,904</u>

#### *Unrestricted funds*

	At 1 April 2005 £	Transfer from Restricted funds	Retained for year £	Transfer between funds	At 31 March 2006 £
General development reserve	1,905,973	3,411,537	(78,521)	(870,368)	4,368,621
Designated reserves					
Maintenance	1,356	12,308	-	-	13,664
Fund raising	29,165	8,694	9,723	-	47,582
Human resources	300,555	-	-	-	300,555
Capital	-	539,545	74,000	(107,067)	506,478
Service Development	-	-	733,626	977,435	1,711,061
Revaluations	401,654	-	(8,147)	-	393,507
	<u>2,638,703</u>	<u>3,972,084</u>	<u>730,681</u>	<u>-</u>	<u>7,341,468</u>

### Company

#### *Restricted funds*

	At 1 April 2005 £	Transfer to Unrestricted Funds £	Retained for year £	At 31 March 2006 £
Restricted development reserves	3,374,997	(3,374,997)	16,904	16,904
Capital	539,545	(539,545)	-	-
Maintenance	12,308	(12,308)	-	-
Fund raising	8,694	(8,694)	-	-
	<u>3,935,544</u>	<u>(3,935,544)</u>	<u>16,904</u>	<u>16,904</u>

**TURNING POINT SCOTLAND LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)

**Unrestricted Funds**

	At 1 April 2005 £	Transfer from Restricted Funds	Retained for year £	Transfer between funds	At 31 March 2006 £
General development reserve	1,929,657	3,374,997	(83,521)	(870,368)	4,350,765
Designated reserves					
Maintenance	1,356	12,308	-	-	13,664
Fund raising	29,165	8,694	9,723	-	47,582
Human resources	300,555	-	-	-	300,555
Capital	-	539,545	74,000	(107,067)	506,478
Service Development	-	-	733,626	977,435	1,711,061
Revaluations	401,654	-	(8,147)	-	393,507
	<u>2,662,387</u>	<u>3,935,544</u>	<u>725,681</u>	<u>-</u>	<u>7,323,612</u>

**Restricted development reserves** represent surplus arising on restricted income.

**General development reserves** are held to maintain and develop the Company.

**Maintenance reserves** are to be used to maintain the fabric of the buildings and offices.

**Fund raising reserves** represent reserves brought about by fundraising activities.

**Human resources** reserve has been accumulated to enable the company to deal with unforeseen HR issues. This includes redundancies, maternity cover and long term sickness. The reserve has been capped at £300,555.

**Capital reserves** represent the funds that may require to be repaid if properties were to be sold.

**Service development reserves** are held to maintain and develop the Service.

**Revaluation reserves** represent the cumulative balance of annual property revaluations.

**Transfer between funds**

Following a review of reserves classification undertaken during the year the trustees have recognised that funds previously treated as restricted are in fact unrestricted in nature and a transfer has been made to reflect this.

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)

## 17 Allocation of assets between funds

	Unrestricted £	Restricted £	Total £
<b>Group</b>			
Fixed Assets	3,993,355	-	3,993,355
Net Current Assets	3,790,961	16,904	3,807,865
Creditors greater than one year	(442,848)	-	(442,848)
	<u>7,341,468</u>	<u>16,904</u>	<u>7,358,372</u>
<b>Company</b>			
Fixed Assets	3,993,355	-	3,993,355
Net Current Assets	3,773,105	16,904	3,790,009
Creditors greater than one year	(442,848)	-	(442,848)
	<u>7,323,612</u>	<u>16,904</u>	<u>7,340,516</u>

## 18 Contingent liabilities

The company received a grant from the National Lottery Charity Board to finance the purchase of a property at 45-49 Holburn Street, Aberdeen. The grant is repayable in full if the property is sold within 80 years of the grant being awarded. In previous years grants have been received from Argyll & Clyde Health Board, Renfrewshire Council and Inverclyde Council toward the purchase of Glenfield Avenue, Pheonix Grove, Annetyard Drive, Turnhill Drive and Station Wynd which are repayable if the properties are sold within 25 years of their purchase date.

## 19 Pensions

Turning Point Scotland participates in the Turning Point Pension Scheme, a defined benefit scheme covering more than one employer. The charity is unable to identify its share of the underlying assets and liabilities.

The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable then being determined by Pension Trustees on advice of the actuary. The major assumptions used by the actuary were:

Price inflation	2.9%
Salary inflation	3.9%
Rate of increase to pensions in payment	2.8%
Rate used to discount scheme liabilities	5.4%

The assets and liabilities of the Scheme at 31 March 2005 were:

	£'000
Assets	22,547
Liabilities	(32,201)
Deficit	(9,654)

**TURNING POINT SCOTLAND LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)**

Employer contributions to the Scheme have increased as a result of the deficit.

**20 Capital commitments**

At 31 March 2006 the company had capital commitments as follows:

	2006 £	2005 £
Contracted for but not provided in these accounts	-	97,528

**21 Reconciliation of operating surplus to net cash (outflow)/inflow from operating activities**

	2006 £	2005 £
Operating surplus before revaluations, adjusted for interest	693,578	1,239,761
Capital grants received	(74,000)	(291,627)
Depreciation of tangible fixed assets	90,774	5,630
(Increase)/decrease in debtors	1,334,893	(975,915)
Decrease in creditors	(523,175)	(640,235)
Net cash (outflow)/inflow from operating activities	1,522,070	(621,359)

**22 Reconciliation of net cashflow to movement in net funds**

	£	2006 £	£	2005 £
Increase/(decrease) in cash in the year	1,272,939		(1,935,112)	
Cashflow from change in debt	46,408		52,468	
		1,319,347		(1,882,644)
Change in net funds		1,319,347		(1,882,644)
Opening net funds		1,171,586		3,054,230
Closing net funds		2,490,933		1,171,586

**TURNING POINT SCOTLAND LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2006 (CONTINUED)****23 Analysis of changes in net funds**

	At 1 April 2005 £	Cash flows £	At 31 March 2006 £
Cash at bank and in hand	1,731,842	1,272,939	3,004,781
Debt due within one year	(55,531)	(15,469)	(71,000)
Debt due after one year	(504,725)	61,877	(442,848)
Total	<u>1,171,586</u>	<u>1,319,347</u>	<u>2,490,933</u>

**24 Related party transactions**

The trustees receive no remuneration for fulfilling their role as trustees. Total expenses of £1,377 (2005 : £2,653) were reimbursed to the trustees during the year.