

**TURNING POINT SCOTLAND  
LIMITED**

REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2007

CHARITY NO SCO28827

COMPANY NO SC194639

TUESDAY



\*S68P5V0V\*

SCT

27/11/2007

47

COMPANIES HOUSE

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007**

---

<b>INDEX</b>	<b>PAGE</b>
Legal and administrative information	1
Trustees report	2 12
Auditor report	13 14
Consolidated statement of financial activities	15
Consolidated balance sheet	16
Company balance sheet	17
Consolidated cash flow statement	18
Notes to the financial statements	19 30

**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	(Resigned 16/09/06)
Estella Abraham	(Resigned 16/09/06)
Julia Palmer	(Resigned 16/09/06)
Joseph Hughes	
Vinaykant Ruparelia	
Callum Allan	
Raymond Edwards	
Judith Illsley	
Brian Paterson	
Brian MacDonald	(Appointed 13/09/06)
Gill Ottley – Co opted Board Member	(Appointed 13/09/06)

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**

Lloyds TSB Scotland, 180 West George Street, Glasgow, G22NR

**Solicitors**

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

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)**

---

The trustees present their report together with the audited financial statements for the year ended 31 March 2007

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 2005 Accounting and Reporting by Charities

**Results**

The income and expenditure account is included within the Statement of Financial Activities on page 15. The Charity incurred a surplus of £229,447 in the year to 31 March 2007

**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.

**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**

As at 31 March 2007, we provide 35 services, all 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 and 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 2006/07 we provided support to 14,182 people in over 113 sites across Scotland.

To be able to do this we employed 1138 staff in 2006/7. 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 2006/07 60 staff completed their SVQ3 and 9 completed their Registered Managers Award. The training programme offered a total of 482 courses over the year in addition to external training purchased on behalf of staff.

### **Regulation**

All bar 2 services (which are not required to be registered) are registered with the Care Commission. Over the year we had 26 inspections. Of these only 3 required Turning Point Scotland to take time lined action. Learning from all visits led to changes and improvements in services.

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

In 2006/07 we extended membership of the staff council to allow representation from more parts of Scotland. Staff raised a number of areas of concern to them and work was undertaken to improve these. Specific examples include rotas, stress and 12 hour shifts. We have agreed to publicise the work of the Staff Council to enable staff to make best use of it.

The service user council has continued to meet 3 or 4 times each year and a review of its operation is planned.

### **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. We now own 15 properties across Scotland.

### **Strategic direction**

The Board and senior managers held a strategy day to inform our business plan and we have also reviewed what has been achieved. We have made positive progress in our employment work, in business efficiencies, in information technology and information management. We have increased our media profile and intend to increase our influence over the next year or so.

**Fundraised income**

The charity works actively to increase the value it brings to public contracts and its fundraiser raised £246,398 over the year for services. We would like to thank all of the following trust funds which supported Turning Point Scotland

- Robertson Trust
- The Big Lottery Fund
- Lloyds TSB Foundation for Scotland
- Barfil Trust
- The Henry Smith Charity
- KPMG Foundation
- The Dulverton Trust
- The Monument Trust
- Esmée Fairbairn Foundation
- Futurebuilders Scotland
- Scottish Achievements Awards Trust
- Scotbelge Trust
- W Mann Foundation

**Monitoring performance**

Turning Point Scotland gathers 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. Following discussion with service managers we have agreed to introduce a centralised information database.

The great challenge in working to targets is to make sure that they are targets that matter. The main target for Turning Point Scotland is to make a positive difference to individual lives in a person centred and aspirational way. We have participated in national work around service outcomes and have refocused our information database to provide us with evidence of how we change lives.

Staff surveys were conducted three times over the year. They show that we continue to make progress in areas such as health and safety, supervision, business planning. This matches the figures we gather from our monitoring systems and adds to the evidence of our results.

Interviews were conducted with all but 2 major customers. Feedback was positive with customers finding Turning Point Scotland a flexible organisation willing to work positively with them and to adapt services as required. Two customers were less happy with service and improvement plans were put in place to rectify the problem areas.

### **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 We have targeted the Highlands of Scotland and the central belt as development opportunities We have been successful in winning business in Perth and Kinross and Dundee and have added to existing business in other parts of the country

The elections have introduced a new administration in Scotland and changed political control in many councils We continue to monitor the political environment for any indications of policy changes

The Crerar review is considering whether there is a disproportionate amount of regulation in the sector and we will monitor its outcomes

The Glasgow Learning Disability services transferred to new providers in July 2006 This reduced the turnover by £6m but allowed Directors to reinvest the substantial sum of money previously used to meet the funding gap They have used this to improve our information systems and our development capacity We have continued to take on new business and this has offset the drop in turnover

### **Governance**

The Board undertook a major review of governance and initiated a number of improvements It spent a day reviewing its own operations and established a review and development process for Directors Directors have also been offered training in governance and dealing with discipline The Board then sought an external review which will be completed by Christmas 2007 by SWIA

The Audit committee continues to be chaired by Joseph Hughes It meets 4 times per annum and Callum Allan has been appointed Vice Chair

### **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 18

As part of the overall Reserves Policy and part of the Risk Management Policy the company is working towards achieving Company Development 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 cost by entering an arrangement with our bank which limits our cost of borrowing 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 £1,208 were reimbursed to the trustees during the year

Turning Point Scotland Limited operates contracts on behalf of Turning Point Scotland Services Limited, it's 100% owned subsidiary During the year, Turning Point Scotland Limited invoiced a sum of £16,324,937 to its subsidiary in respect of these contracts In addition £13,354 in payroll costs were recharged to the subsidiary for management services provided

**Se we conclude our report for the year 2006 07 illustrating our work through the words of staff and service users.**

### **Case Study 1**

John has had a permanent tenancy in the New Gorbals supported by Midway since August 2006. Prior to this, John spent some time in psychiatric hospitals before being discharged into various hostels including the Talbot Centre in Glasgow. John found living in temporary hostel accommodation difficult and his psychiatrist expressed serious concern for his ongoing mental wellbeing as a result of his experiences there. In particular, he witnessed bullying, drug taking and dealing and he was physically attacked on occasion.

John attended the drop-in sessions that Midway ran at the 'Wee Hoose' in Glasgow. He also ran a music group for others where participants learned to play guitar and practice on a regular basis. Although initially unaware of the services offered by Midway, John is very satisfied with the information that he received before getting involved and found the assessment and placing process to be quick and hassle free. In addition, John feels well supported by Midway staff, particularly his support worker Angela McDonald. He's very happy with his current flat which he feels is well situated for his everyday needs.

### **Case Study 2**

**A service user of Viewpoint wrote her own case study for the website. Here is Angela's story in her own words:**

Hi there, I'm Angela. I am supported by **Viewpoint**. It is great. I used to go to another resource centre, but I was really fed up there and didn't enjoy it. My social worker told me about Turning Point Scotland.

I was frightened at first, because I did not know anybody there. I met Catherine and Elaine. I was nervous but decided to give it a try. It was great!! I wished I had done this years before. **Viewpoint** got me lots of things to do. They came with me first, but now I do nearly everything myself.

Now I travel on the bus and on the train. I can go to Irvine, Troon, Ayr and Kilmarnock by myself. Staff came with me so I got to know the way.

#### **Angela's typical week**

Now I have got two jobs. I wash dishes in a restaurant and clean the Viewpoint office. I get paid for this. I always help at Viewpoint and I helped to get all the stuff for the BBQ in August.

I meet my friend on a Tuesday in Kilmarnock and we go round the shops. On a Wednesday I go to the local college and do cookery from around the world. I can make apple strudel and gingerbread things and Spanish omelettes. On a Thursday I meet my volunteer at Viewpoint and we go to Irvine for coffee and lunch.

I do something now every day and I never get fed up. There's always somebody about to talk to me, so long as I do my work when I am talking!

**Case Study 2 (Contd)**

I am on the Make It Happen Committee too and go to Glasgow with my volunteer to the meeting to look at what people want and to see if we can give them money to help them. It's great and I sometimes get to talk to Netta (Chief Executive)

Turning Point Scotland supported living help me at home now too. It's a great service and everybody is so helpful to me. My friend even comes over for dinner now!

My mum is dead now but I wish she could see me, she wouldn't believe the things I can do. My Aunt Annie says she would be really proud.

**Case Study 3**

**A case study from a service user's family who receives support from SHAPE:**

"My brother's quality of life has improved beyond belief. This is mainly due to the excellent support and assistance provided by the **SHAPE** team, on a daily basis. Their practical help and guidance has been invaluable. They, individually and as a team, demonstrate a level of patience and good heartedness, which must be the envy of many who have not had the good fortune to be introduced to them.

My brother has now regained his previous personality and has re-acquired his confidence in dealing with family, friends, strangers and people in authority. He is now motivated to work towards goals and achievements, previously not envisaged.

As a family we had hoped to sum up our gratitude by coining an anagram for **SHAPE**, but we came up with too many appropriate adjectives to describe their work and efforts and what they mean to us. Here are some of them:

**S** sincerity, security, service, socialisation, success  
**H** helpful, honest, homely, humorous  
**A** assistance, approachable, available, activities, affirmative, advancement  
**P** people oriented, personable, progressive, quietly persuasive  
**E** encouragement, enlightenment, endeavours, enthusiasm, unstinting efforts

**Staff Member's story**

**Lives are complex and people usually have more than one issue that needs to be addressed at any time. Turning Point Scotland offers a wide range of services to help people with substance misuse, offending behaviour, mental health, homelessness and learning disabilities.**

**Turning Point Scotland believes that people can recover from the complex issues they face. Sarah's story focuses on one person's journey from a difficult place to being a Turning Point Scotland staff member; helping people turn their lives around.**

**Staff Member's story (contd)**

Sarah didn't have the happiest of childhoods. Her mother died leaving five children parentless. They went to live with an aunt but within six months, Sarah was the only child there. Sarah, for the first time ever, felt alone and vulnerable. Looking back, she believes, that this is when she first became depressed. For no reason, she blamed herself for her siblings leaving. By 13, Sarah had tried prescription drugs. By 14, Sarah found a job to fund her growing drugs addiction.

"I had no sense of belonging until I became part of the drugs scene."

She soon found herself homeless and sleeping rough in closes in Glasgow.

For the next five years, she was part of the hostel system. Her addiction to heroin escalated and Sarah found herself using £80-£100 daily. Her most notable attempt to get back on track was a move to England to a drug rehabilitation centre.

"There was no alternative to come off heroin – I had to 'go' cold turkey. The sweating and rattling wasn't easy. At times I wanted to leave – but I knew I had to do this."

Moving on, Sarah secured a flat and gained employment in social care.

Sarah continued, "I loved my job because I was good at it! I could relate to the individuals whom I was supporting – I knew exactly how they felt – I had been there."

Sarah met a partner with whom she had two children. But the relationship became mentally and physically abusive – and detrimental to her health. Sarah found the strength to leave.

Returning to Glasgow, Sarah took up a course at college, which provided childcare facilities, allowing her to develop new skills.

"I progressed from college to a course at Glasgow University. It was a big challenge and great for my self-esteem. It was tough with two kids in tow."

As part of her studies, Sarah attended training sessions around emotional disturbances. "During the training session, something happened to me that I had never experienced. The course sparked something off inside me. I was terrified and struggled to breathe." For four days, Sarah was in a state of panic and out of control, feeling that everyone was out to hurt her. Sarah tearfully explains:

"The panic attack took me back to when I was seven. The mental stuff was still there as I had never dealt with it." Sarah was suicidal and wanted to give up.

Sarah received medical help and eventually treatment in the form of electric shock therapy. Sarah explains that her mind became her own again and she was able to comprehend things that had happened to her.

**Staff members story (contd)**

**Speaking today, Sarah says**

"I applied to be a support worker with Turning Point Scotland. I was successful and couldn't believe it. I was attracted to the job by its description, I wanted to work with people who have experienced homelessness and addictions, as I can relate to what they are going through. My job involves helping people with mental health issues – something for years that I never dealt with. Turning Point Scotland make services fit people – that means if someone accesses a service with an addiction, then we check out their mental health."

Sarah enjoys life, whether it is at work supporting the most vulnerable in society or at home with her children.

Turning Point Scotland's Chief Executive, Netta Maciver comments

"Sarah's story helps us to see beyond the homeless drug user on the street, to the person who was hurt, who with help can go on to recover their life, re-start their education, bring up their kids themselves and be passionate about their work."

**Case Study 4**

Mary is an 85 year old woman with a learning disability who is supported to live in her own home in Renfrew after spending many years living in hospital. Mary likes to get out and about with her walking frame and looks forward to trips by train. She especially likes going to the hairdresser and to the bank where the staff know her. Mary has a good social life and likes to go to a local club where she gets up on stage to sing which makes her feel happy. She also likes to go to the pictures, the pub, shopping malls and theatre. Mary loves having her own home where she feels safe and comfortable and "no one hurts her". She also gets on well with her neighbours. As well as socialising, Mary also likes to spend time at home knitting, especially for "babies who have no mums or dads".

**Case 5**

Billy is a 62 year old man who lives in supported accommodation in East Kilbride. Billy doesn't think he is very fit but feels that has improved a lot since he left long stay hospital. Although Billy doesn't see much of his family, he is well known in his local area where he goes for his local papers and shopping every day. Billy enjoys living in his own home and likes to have his own belongings (e.g. pool table, watches, television, book, DVDs, stereo) around him. He has been away on lots of trips and his ambition is to go on a helicopter trip. Billy's favourite thing about living is his own home is "I go to bed when I want to, I get up when I want. I can also go out when I want".

**Poem**

Sandy, who currently accesses the Link Up service has for a number of years expressed himself through poetry Writing poetry is a therapeutic aid for Sandy, and he would like to share a poem to help others

*I've come a long way from my roots  
worn out many pairs of walking boots,  
love in a city then peace in the country  
no matter where I ran, couldn't run from me*

*Lay down on lonely cold dead end streets  
with the cardboard as my bedding sheets,  
drank to keep out the cold and ease the pain  
of distant memories that arise so sharp in my brain*

*Now I've nearly reached my destination  
been an eye opener for my realisation,  
it's no longer a fight to survive  
really it's quite enjoyable to be alive*

**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 incoming resources and application of resources, including the net income or expenditure of the charity 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**TURNING POINT SCOTLAND LIMITED**

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2007 (CONTINUED)**

---

**Trustees' responsibilities for the financial statements**

In accordance with company law, as the charity's directors we certify that

so far as we are aware, there is no relevant audit information of which the charity's auditors are unaware, and

as the directors of the charity we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's auditors are aware of that information

**Auditors**

Grant Thornton UK LLP 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 19 September 2007 and signed on their behalf by



**Paula Gilder**  
Trustee

## **TURNING POINT SCOTLAND LIMITED**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TURNING POINT SCOTLAND**

---

We have audited the group financial statements (the "financial statements") of Turning Point Scotland Limited for the year ended 31 March 2007 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 26. 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. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TURNING POINT  
SCOTLAND**

---

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 2007 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 2007



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

Glasgow

19 September 2007

**TURNING POINT SCOTLAND LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2007**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	21,870	263,194	285,064	42,911
Investment income	3	131,996		131,996	87,723
Incoming resources from charitable activities	4	23,958,739	337,393	24,296,132	27,280,111
Other incoming resources	5	196,789		196,789	
<b>Total incoming resources</b>		<b>24,309,394</b>	<b>600,587</b>	<b>24,909,981</b>	<b>27,410,745</b>
<b>Resources expended</b>					
Costs of generating funds					
Costs of generating voluntary income	6	38,426		38,426	41,494
Governance Costs	7	23,451		23,451	24,439
Charitable Activities	8	24,285,560	333,097	24,618,657	26,597,227
<b>Total resources expended</b>		<b>24,347,437</b>	<b>333,097</b>	<b>24,680,534</b>	<b>26,663,160</b>
<b>Net (outgoing)/incoming resources/net movement in funds</b>		<b>(38,043)</b>	<b>267,490</b>	<b>229,447</b>	<b>747,585</b>
<b>Total funds brought forward</b>		<b>7,341,468</b>	<b>16,904</b>	<b>7,358,372</b>	<b>6,610,787</b>
<b>Total funds carried forward</b>	18	<b>7,303,425</b>	<b>284,394</b>	<b>7,587,819</b>	<b>7,358,372</b>

All income and expenditure is from continuing activities

The notes on pages 19 to 30 form part of these financial statements

**TURNING POINT SCOTLAND LIMITED**

**CONSOLIDATED BALANCE SHEET AT 31 MARCH 2007**

	Note	£	2007 £	£	2006 £
<b>Fixed assets</b>					
Tangible assets	13		4,508,053		3,993,355
Investments	14				
			<u>4,508,053</u>		<u>3,993,355</u>
<b>Current assets</b>					
Debtors	15	2,558,779		2,204,897	
Cash at bank and in hand		2,661,402		3,004,781	
		<u>5,220,181</u>		<u>5,209,678</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,768,567)</u>		<u>(1,401,813)</u>	
<b>Net current assets</b>			<u>3,451,614</u>		<u>3,807,865</u>
<b>Total assets less current liabilities</b>			<u>7,959,667</u>		<u>7,801,220</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(371,848)		(442,848)
<b>Net assets</b>			<u>7,587,819</u>		<u>7,358,372</u>
<b>Reserves</b>					
Restricted funds	18		284,394		16,904
Unrestricted funds	18		7,303,425		7,314,468
<b>Net reserves</b>			<u>7,587,819</u>		<u>7,358,372</u>

The financial statements were approved by the Board on 19 September 2007

*P. M. Gilder*

**Paula Gilder**  
Trustee

*Colin Rae*

**Colin Rae**  
Trustee

The notes on pages 19 to 30 form part of these financial statements

**TURNING POINT SCOTLAND LIMITED**

**COMPANY BALANCE SHEET AT 31 MARCH 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	13	4,508,053	3,993,355
Investments	14	1	1
		<u>4,508,054</u>	<u>3,993,356</u>
<b>Current assets</b>			
Debtors	15	3,206,035	4,440,279
Cash at bank and in hand		1,513,925	342,168
		<u>4,719,960</u>	<u>4,782,447</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,522,783)</u>	<u>(992,439)</u>
<b>Net current assets</b>		3,197,177	3,790,008
<b>Total assets less current liabilities</b>		<u>7,705,231</u>	<u>7,783,364</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(371,848)	(442,848)
<b>Net assets</b>		<u>7,333,383</u>	<u>7,340,516</u>
<b>Reserves</b>			
Restricted funds	18	284,394	16,904
Unrestricted funds	18	7,048,989	7,323,612
<b>Net reserves</b>		<u>7,333,383</u>	<u>7,340,516</u>

The financial statements were approved by the Board on 19 September 2007

*P M Gilder*

**Paula Gilder**  
Trustee

*Colin Rae*

**Colin Rae**  
Trustee

The notes on pages 19 to 30 form part of these financial statements

**TURNING POINT SCOTLAND LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007**

	Note	£	2007 £	£	2006 £
<b>Net cash (outflow)/inflow from operating activities</b>	23		(593,893)		1,522,070
<b>Returns on investments and servicing of finance</b>					
Interest received		131,995		87,723	
Interest paid		<u>(27,659)</u>		<u>(33,716)</u>	
<b>Net cash inflow from returns on investments and servicing of finance</b>			104,336		54,007
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(642,485)		(330,730)	
Capital grants received		<u>9,999</u>		<u>74,000</u>	
<b>Net cash (outflow)/inflow from investing activities</b>			<u>(632,486)</u>		<u>(256,730)</u>
<b>Net cash (outflow)/inflow before financing</b>			(1,122,043)		1,319,347
<b>Financing</b>					
New loans				519,764	
Loans repaid		<u>(71,000)</u>		<u>(566,172)</u>	
<b>Net cash (outflow)/inflow from financing</b>			(71,000)		(46,408)
<b>(Decrease)/increase in cash and cash equivalents</b>	25		<u>(1,193,043)</u>		<u>1,272,939</u>

The notes on pages 19 to 30 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 an amount received from the Big Lottery of £37,135 in respect of an Employment and Development Worker.

***Unrestricted funds***

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

***Designated funds***

Designated funds are funds earmarked for particular purposes.

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

## 2. Incoming resources Voluntary income

	Unrestricted funds £	Restricted funds £	2007 £	2006 £
Fundraised income	16,515	263,194	279,709	42,911
Donations	5,355		5,355	
	<u>21,870</u>	<u>263,194</u>	<u>285,064</u>	<u>42,911</u>

## 3. Incoming resources Investment income

	Unrestricted funds £	Restricted funds £	2007 £	2006 £
Bank interest	<u>131,996</u>		<u>131,996</u>	<u>87,723</u>

## 4. 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

	Unrestricted funds £	Restricted funds £	2007 £	2006 £
Revenue grants	14,522,880	337,393	14,860,273	16,250,089
Capital grants	9,999		9,999	74,000
Rental income	1,005,554		1,005,554	1,083,068
Other income	282,412		282,412	499,392
Supporting People income	6,430,906		6,430,906	7,596,885
Supporting cost income	1,706,988		1,706,988	1,776,677
	<u>23,958,739</u>	<u>337,393</u>	<u>24,296,132</u>	<u>27,280,111</u>

**TURNING POINT SCOTLAND LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

**5. Incoming resources Other incoming resources**

	<b>Unrestricted Funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
VAT reclaim	196,789		196,789	

**6. Resources expended Costs of generating voluntary income**

	<b>Unrestricted Funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
Staff costs	35,908		35,908	35,291
Project running costs	2,518		2,518	6,203
	<u>38,426</u>		<u>38,426</u>	<u>41,494</u>

**7. Resources expended Governance costs**

	<b>Unrestricted Funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
Audit fees	22,244		22,244	23,062
Board running costs	1,207		1,207	1,377
	<u>23,451</u>		<u>23,451</u>	<u>24,439</u>

**8. Resources expended Charitable activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
Staff costs	19,491,877	226,799	19,718,676	22,095,747
Company running costs	3,995,751	83,173	4,078,924	3,743,708
Interest paid	27,659		27,659	33,717
Maintenance costs	227,141		227,141	216,346
Rent paid	543,132	23,125	566,257	507,709
	<u>24,285,560</u>	<u>333,097</u>	<u>24,618,657</u>	<u>26,597,227</u>

## TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

### 9. Employees

Staff costs consist of

	2007 £	2006 £
Wages and salaries	17,426,883	19,667,249
Social security costs	1,371,666	1,589,518
Other pension costs	920,127	874,273
	<u>19,718,676</u>	<u>22,131,040</u>

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

	2007 £	2006
Salaried	942	1,124
Sessional	230	194
	<u>1,172</u>	<u>1,318</u>

The number of staff paid over £60,000 during the year (salary plus taxable benefits excluding pension contributions) was

	2007	2006
£80,000 £90,000	<u>1</u>	<u>1</u>

The total cost of pension contributions in the year for this member of staff was £11,722 (2006 £11,492)

### 10. Trustees

The trustees received no emoluments during this or the prior year

### 11. Net incoming resources

Net incoming resources for the year are stated after charging

	2007 £	2006 £
Auditors remuneration		
for audit services	22,244	23,062
for taxation services	2,281	4,550
Depreciation of fixed assets	127,787	90,774

## TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

### 12. Taxation

As a registered charity, the company is exempt from tax

### 13. Tangible assets

	Freehold property £	Motor Vehicles £	Fixtures and Equipment £	Total £
<b>Group and Company</b>				
<i>Cost or valuation</i>				
At 1 April 2006	4,040,176	57,155	73,248	4,170,579
Additions	617,828	24,657		642,485
<b>At 31 March 2007</b>	<b>4,658,004</b>	<b>81,812</b>	<b>73,248</b>	<b>4,813,064</b>
<i>Depreciation</i>				
At 1 April 2006	80,803	57,155	39,266	177,224
Provided for the year	93,160	24,657	9,970	127,787
<b>At 31 March 2007</b>	<b>173,963</b>	<b>81,812</b>	<b>49,236</b>	<b>305,011</b>
<i>Net Book Value</i>				
<b>At 31 March 2007</b>	<b>4,484,041</b>		<b>24,012</b>	<b>4,508,053</b>
At 31 March 2006	3,959,373		33,982	3,993,355

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

### 14. Fixed asset investments

	Group £	Company £
<i>Cost and net book value</i>		
<b>At 1 April 2006 and 31 March 2007</b>		<b>1</b>

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 £236,580 and at the end of that year the aggregate of its capital and reserves was £254,437

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

## 15. Debtors

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	1,636,475	1,525,699	635,782	307,655
Amounts due from group undertakings			1,647,949	3,453,426
Other debtors	816,120	568,536	816,120	568,537
Prepayments and accrued income	106,184	110,662	106,184	110,661
	<u>2,558,779</u>	<u>2,204,897</u>	<u>3,206,035</u>	<u>4,440,279</u>

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

## 16. Creditors: amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank overdraft	849,665		849,665	
Bank loans	71,000	71,000	71,000	71,000
Trade creditors	134,831	75,311	134,831	75,311
Taxation and social security	13,939	548,861		533,510
Other creditors	324,226	616,168	92,381	222,145
Accruals and deferred income	374,906	90,473	374,906	90,473
	<u>1,768,567</u>	<u>1,401,813</u>	<u>1,522,783</u>	<u>992,439</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, Overwuid Drive, Maryholme Farm and Govan Road. Communities Scotland have a standard security over the property at Mansefield Road

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

**TURNING POINT SCOTLAND LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

**17. Creditors: amounts falling due after more than one year**

**Group and Company**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loans	<u>371,848</u>	<u>442,848</u>
Included within the above are amounts falling due as follows		
In 1 2 years		
Loan instalments	71,000	71,000
In 2 5 years		
Loan instalments	213,000	213,000
In more than 5 years		
Loan instalments	<u>87,848</u>	<u>158,848</u>
	<u>371,848</u>	<u>442,848</u>

Details of securities and repayment terms can be found in note 16 above

**TURNING POINT SCOTLAND LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

**18. Reserves**

**Group**  
***Restricted funds***

	<b>At 1 April 2006 £</b>	<b>Transfer to Unrestricted Funds</b>	<b>Retained for year £</b>	<b>At 31 March 2007 £</b>
Restricted development reserves	16,904		267,490	284,394

***Unrestricted funds***

	<b>At 1 April 2006 £</b>	<b>Transfer from Restricted funds</b>	<b>Retained for year £</b>	<b>Transfer between funds</b>	<b>At 31 March 2007 £</b>
General development reserve	4,368,621		(43,983)	(122,144)	4,202,494
Designated reserves					
Maintenance	13,664				13,664
Fund raising	47,582		4,791		52,373
Human resources	300,555				300,555
Capital	506,478		9,999	(1,344)	515,133
Service Development	1,711,061		(8,850)	131,635	1,833,846
Revaluations	393,507			(8,147)	385,360
	<u>7,341,468</u>		<u>(38,043)</u>		<u>7,303,425</u>

**Company**  
***Restricted funds***

	<b>At 1 April 2006 £</b>	<b>Transfer to Unrestricted Funds</b>	<b>Retained for year £</b>	<b>At 31 March 2007 £</b>
Restricted development reserves	16,904		267,490	284,394

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

## Unrestricted Funds

	At 1 April 2006 £	Transfer from Restricted Funds £	Retained for year £	Transfer between funds £	At 31 March 2007 £
General development reserve	4,350,765		(280,563)	(122,144)	3,948,058
Designated reserves					
Maintenance	13,664				13,664
Fund raising	47,582		4,791		52,373
Human resources	300,555				300,555
Capital	506,478		9,999	(1,344)	515,133
Service Development	1,711,061		(8,850)	131,635	1,833,846
Revaluations	393,507			(8,147)	385,360
	<u>7,323,612</u>		<u>(274,623)</u>		<u>7,048,989</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 less amounts which have been amortised

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

## 19. Allocation of assets between funds

Group	Unrestricted £	Restricted £	Total £
Fixed Assets	4,508,053		4,508,053
Net Current Assets	3,167,220	284,394	3,451,614
Creditors greater than one year	(371,848)		(371,848)
	<u>7,303,425</u>	<u>284,394</u>	<u>7,587,819</u>
<b>Company</b>			
Fixed Assets	4,508,054		4,508,054
Net Current Assets	2,912,783	284,394	3,197,177
Creditors greater than one year	(371,848)		(371,848)
	<u>7,048,989</u>	<u>284,394</u>	<u>7,333,383</u>

## 20. 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, Phoenix Grove, Annetyard Drive, Turnhill Drive and Station Wynd which are repayable if the properties are sold within 25 years of their purchase date.

## 21. 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)
Employer contributions to the Scheme increased as a result of the deficit at that date	

# TURNING POINT SCOTLAND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2007 (CONTINUED)

## 22. Capital commitments

There were no capital commitments at 31 March 2007 or 31 March 2006

## 23. Reconciliation of operating surplus to net cash (outflow)/inflow from operating activities

	2007 £	2006 £
Operating surplus before revaluations, adjusted for interest	125,111	693,578
Capital grants received	(9,999)	(74,000)
Depreciation of tangible fixed assets	127,787	90,774
(Increase)/decrease in debtors	(353,881)	1,334,893
Decrease in creditors	(482,911)	(523,175)
Net cash (outflow)/inflow from operating activities	(593,893)	1,522,070

## 24. Reconciliation of net cashflow to movement in net funds

	£	2007 £	£	2006 £
(Decrease)/increase in cash in the year	(1,193,043)		1,272,939	
Cashflow from change in debt	71,000		46,408	
		(1,122,043)		1,319,347
Change in net funds		(1,122,043)		1,319,347
Opening net funds		2,490,933		1,171,586
Closing net funds		1,368,890		2,490,933

## 25. Analysis of changes in net funds

	At 1 April 2006 £	Cash flows £	At 31 March 2007 £
Cash at bank and in hand	3,004,781	(343,379)	2,661,402
Overdraft		(849,665)	(849,665)
Debt due within one year	(71,000)		(71,000)
Debt due after one year	(442,848)	71,000	(371,848)
Total	2,490,933	(1,122,043)	1,368,890

## 26. Related party transactions

The trustees receive no remuneration for fulfilling their role as trustees. Total expenses of £1,208 (2006 £1,377) were reimbursed to the trustees during the year.