

TURNING POINT SCOTLAND

**Report and Consolidated Financial Statements
For the year ended 31 March 2013**

**Charity No: SC028827
Company No: SC194639**

FRIDAY



S2HANZ80

SCT

20/09/2013

#246

COMPANIES HOUSE

TURNING POINT SCOTLAND

Report and Consolidated Financial Statements For the year ended 31 March 2013

Contents	Page
Company Information	1
Report of the Trustees	2
Report of the Independent Auditor	11
Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account)	13
Company Statement of Financial Activities (incorporating Income and Expenditure Account)	14
Consolidated Balance Sheet	15
Company Balance Sheet	16
Consolidated Cash Flow Statement	17
Notes to the Consolidated Financial Statements	18

TURNING POINT SCOTLAND

Company Information

Directors and Trustees

Tony Cameron C.B.	Chair
Elizabeth Gray	Vice Chair
Callum Allan	
Raymond Edwards	
Ewan McIntyre	
Sheila Low	
Sheila Fazal	
Peter Hamilton	
Anthony Wringe	(resigned 25 February 2013)
Joanne Pike	
Alyn Smith	
Margaret Nash	(resigned 17 April 2012)
Dorothy McElroy	(appointed 16 April 2013)
Alan Rowley	(appointed 16 April 2013)
Craig Findlay	(appointed 16 April 2013)
Robert MacIntosh	(appointed 11 June 2013)
Brian O'Suilleabhain	(appointed 11 June 2013)

Secretary and Registered Office

T C Young LLP
7 West George Street
Glasgow
G2 1BA

Principal Office

54 Govan Road
Glasgow
G51 1JL

Auditor

Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

Bankers

Lloyds TSB Scotland
180 West George Street
Glasgow
G2 2NR

Solicitor

Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

TURNING POINT SCOTLAND

Report of the Trustees

The Trustees present their report and financial statements for the year to 31 March 2013. The financial statements comply with current statutory requirements and Articles of Association and the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities.

Company information set out on page 1 forms part of this report.

Constitution

Turning Point Scotland is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The registered charity number is SC028827 and company number is SC0194639.

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 are as shown on page 1. All of the trustees perform a non-executive role.

Results

The group income and expenditure account is included within the Consolidated Statement of Financial Activities on page 13. The group made a deficit after revaluations of £9,747 in the year to 31 March 2013.

Objects of the Charity

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

Turning Point Scotland provides services for people with drug, alcohol or mental health problems and for people with a learning disability. We also run associated services for those in the criminal justice system, people with young onset dementia, autism, acquired brain injury and people who are homeless. Our services include registered care homes, respite services, day activity and support services, supported tenancies, community drug services, education and employment opportunities. Our health and social care services are purchased by local authorities, the health service and the Scottish Government. Our charitable status and fundraising ability allows us to add value to purchased care.

We continue to contribute to the development of policy in Scotland by participating in national working groups on drugs, alcohol, mental health, criminal justice and learning disability.

Turning Point Scotland is not committed to any one model of support or treatment for people. We believe that person-centred supports and services are what people want and this is most likely to provide positive outcomes. This means that services differ and are designed around people's individual needs and locations. It also means TPS is committed to redesigning services around people's individual needs. Our aim is to tailor our services to meet the needs of the people we support. We believe that everyone is able with help to improve the quality of their life and to improve participation in their community.

Background to the Charity

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

TURNING POINT SCOTLAND

Report of the Trustees

Background to the Charity (cont'd)

Turning Point Scotland's management structure consists of a voluntary Board of Directors, an executive management team and operational and service management teams. The Board of Directors manage the Chief Executive who consequently oversees the functioning of the charity. Day to day operations of the charity are delegated to the Executive Management Team, comprising the Senior Operations Manager, Finance & Resources Manager and Business Development and Improvement Manager.

A Scheme of Delegation is in place which clearly defines the roles of the Board, Chief Executive and Management Team in relation to decision making; this includes financial transaction limits, property lease and acquisition and day to day operations of the organisation. The Board reviewed and updated this scheme in June 2012.

TPS is an equal opportunities employer and have been accredited as a "Positive about Disability" employer.

Service Provision

As at 31st March 2013, we provide 34 projects. We deliver services in a range of settings, including residential care facilities, crisis centres, community rehabilitation models, support to people in their own homes, day opportunity programmes or structured programmed activities and supported employment. We customised our services to the needs of our users and to the locality within which our services operate. Our aim is **to make the service fit the person** and to support the person to lead as independent and fulfilling a life as possible. In 2012-13 we provided support to 8,083 people across Scotland.

In 2012-13 we employed on average 1,099 staff. We have a comprehensive training programme in place to ensure our staff are appropriately trained to undertake the work they do. We also ensure that staff receive the training which will allow them to comply with the requirements of the Scottish Social Services Council. In 2012-13, 10 staff completed their SVQ 2, 3 and 4. Staff have been offered a total of 579 courses over the year in addition to external training purchased for them. 3,251 people were trained during this period.

Regulation

All but 3 services are registered with the Care Inspectorate. Over the year we had 24 inspections, resulting in only 2 requirements where timed action was required. We collated the learning from all inspections in order to share learning and best practice and to enable our staff to make improvements across Scotland.

Staff Involvement

Both our Joint Consultative Committee and EAR4U meetings continue to be effective forums for the exchange of information, communication and negotiation between the staff team and the senior management of the charity. Staff representatives regularly input items to the agenda and feedback views. We ensure that staff representatives are regularly updated regarding the operating environment relevant to Turning Point Scotland's services and employees and there has been much open dialogue. A staff survey was carried out in 2012 and 535 staff took part which is the highest ever number for a TPS staff survey and the highlight results were as follows:

Key Points

- 88% of people would recommend working for TPS to someone else – an increase of 5% from 2010
- Feeling you make a difference, training and health and safety are rated highest of all with over 80% of staff rating them between 6 to 10 (where 10 was the highest)
- Support with day to day practice, personal issues and IT along with understanding the bigger picture, feeling valued and being able to speak up and challenge things scored a healthy 70-79%
- Career progression opportunities and pay were ranked lowest but 50% of staff still scored them between 6-10

On the 9 Commitments from 2010

- Staff viewed 6 of these positively and 3 of them more negatively

TURNING POINT SCOTLAND

Report of the Trustees

Staff Involvement (cont'd)

On the 6 Areas people didn't like about their job from 2010

- Communication is better but paperwork is worse with no change in relation to the other 4.

The Executive Team agreed a programme of action to address the main points arising.

Involving People who use Services

In 2012 the Scottish Government launched a consultation on its strategy for people with learning disabilities which had not been reviewed for more than 10 years. To ensure that everyone supported by Turning Point Scotland and their families had an opportunity to give their views, a series of events were organised across the country. At the events, a short presentation about the strategy (The Same as You) was shown, before people were asked to work together in small groups, prioritising the things that are important for them, what they think has worked well and what could be improved. The findings from all the meetings were included in a Turning Point Scotland response to the Scottish Government which informed the new strategy due to be launched in June 2013.

Four policies and one handbook that were produced in an easy read format by groups of service users were distributed throughout the organisation during 2012. A series of awareness raising activities took place to make as many people as possible aware that the documents were there for their use.

In a direct response to requests from two groups of people: those who use services and those who manage them, a good practice guide about involving service users in recruitment was produced. The guide has been distributed to service managers to support them in involving people who use services when recruiting new staff. A short training course for service users who would like to be more involved in recruitment is now being put together to complement the guide distributed to managers.

In January 2013 a new membership scheme for people supported by the organisation was launched. TPS Connects membership was offered to current and ex-service users who were keen to get more involved in the way the organisation is run. At the end of March 2013 a presentation was made to the 100th member. Some members have volunteered to be part of a committee that will take forward the ideas of others, and help organise events and activities that will promote involvement and peer support.

Premises

We operate from leased and owned premises aiming to ensure that they accessible and pleasant to be in. This has helped to develop the asset base of the charity. We now own 20 properties across Scotland.

The External Environment

The environment we operate in is rapidly changing: changes in legislation, in practice and the needs and expectations of the people we support. The delivery of social care services, the service system and how services are commissioned and purchased are also undergoing significant changes. These will transform the delivery of health and social care services through the introduction of personalisation and self-directed support structures. It is important we prepare for this with clear strategic planning and strong and consistent leadership in the next 3-5 years and as legislation becomes more embedded in culture. We are also in the midst of a period of significant austerity and economic uncertainty so the financial climate will also present many challenges. Not-for-profit organisations are not immune from the difficulties that come with the recession. We need to be clear about which things work best. We need to respond to local need and make best use of resources working in partnership to develop new opportunities that lead to improved life opportunities for the people who use our services. As a result we will remain focused on delivering high quality services to the people we support and working in partnership with our purchasers and delivery partners to achieve best value.

We will also seek to use existing resources to help build our capacity and ability to develop new services on a non-commissioned basis as well as explore ways to maximise our use of financial and human resources.

TURNING POINT SCOTLAND

Report of the Trustees

The Future

In order to be successful TPS must get stronger. We are determined to grow our business, at the same time protecting and developing our reputation for high quality services. Only by being a quality provider will we retain the respect and confidence of those who use our services and convince others that quality remains vital. We will work closely with policymakers and partners who work alongside us in this respect. Our intention is to ensure that TPS supports more people in new and existing markets and in doing so increase revenue in order to help invest in the organisational infrastructure required to maintain a reputation for quality. In doing so we will continue to grow and mature as an organisation so that we can reach more people at risk of social exclusion.

The introduction of self-directed support and personalisation will continue to change the way social care services are purchased and provided. This will put power in to the hands of the consumer and transform the delivery of social care services.

We remain committed to our objectives because more people will be pushed to the margins of our communities so the need for our services will be greater than ever before. We will remain focused on supporting people to overcome the disadvantage and stigma they face.

Strategic Direction

It is crucial that we remain focused on our vision and goals. This will require a consistency in message and approach. Our Strategy is influenced by the key issues facing our stakeholders, most importantly the people who use our services. It is therefore important to understand these and be flexible and adaptive in our approach as these will change over time. TPS seeks to promote the wellbeing and development of the people who use our services in all areas of their lives and where necessary to support their families and carers.

We will strengthen our position as one of Scotland's leading social care charities by:

- Growing and evolving our existing service options
- Developing new initiatives particularly in response to the personalisation and the preventative care agenda.

We will strengthen our presence in the communities where we work and expand into other areas of the country by:

- Responding to appropriate tendering opportunities as they arise
- Developing new services where TPS doesn't currently deploy its approach and skills

Continue to be respected as a provider of high quality services, an employer of choice and an effective strategic partner with our funders by:

- Providing a range of comprehensive workforce development opportunities
- Making our brand widely known as one of Scotland's best
- Engaging and supporting our purchasers and funders
- Achieving the Recognised for Excellence Quality Scotland award

We will continue to provide and develop a range of services that meet people's needs. In an increasingly competitive environment, successfully tendering for existing and new services will be vital for TPS's future. This will involve being both pro-active and reactive. The personalisation agenda will provide new opportunities for people to purchase services directly. We will remain competitive and local services will explore a range of ways to maximise their capacity and develop economies of scale.

We will explore opportunities to develop new services in new and existing markets. We need to seek to take new and innovative service models to the market on a non-commissioned basis. We will build up strategic relationships in new markets thereby extending our reach. We will explore ways in which we can strengthen the organisation and provide more positive experiences for the people who use our services.

TURNING POINT SCOTLAND

Report of the Trustees

Strategic Direction (cont'd)

We will maintain and build on our high quality services as recognised by external regulators. We will seek to maintain our position as a leading provider of specialist services that are innovative and responsive to need. We will have a culture of continuous improvement and we will consolidate and build upon the quality of service provision by promoting the involvement of those we support.

Fundraised Income

The charity works actively to increase the value it brings to our services and its fundraiser raised £89,200 over the year for services. May we express our grateful thanks to the following trusts which supported TPS:

- The Big Lottery Fund

Turning Point Scotland Charitable Donations

During the year the charity used its Make It Happen Fund to distribute £7,727 to service users to help make their dream happen. Awards included a sky jump, visit to an owl sanctuary, funding to participate in the Special Olympics and one service user took her mother out to dinner and to a concert.

Monitoring Performance

Monitoring and measuring the organisation's performance is central to delivering Turning Point Scotland's stated aim of being a continually improving and innovative organisation. The prime organisational processes which support this monitoring are the self assessment, IMPAQT, process and the Service Practice Audit. These are conducted in alternate years. These organisational processes overlay the oversight and monitoring of service provision through line management structures.

Specific monitoring activities are:

1. **Information Gathering.** TPS 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. We have an outcomes database in place to gather and analyse information. The information is both quantitative and qualitative.
2. **Setting targets to monitor performance.** The great challenge in working to targets is to make sure that they are targets that matter. The main target for TPS is to make a positive difference to individual lives in a person centred and aspirational way. To this end we have developed a suite of outcomes across our service which gathers information tracking an individual's progress. This information, when aggregated, can give a company overview in relation to meeting our targets in relation to meeting service user need. There is a key result relative to this area.
3. **Setting Key results and performance Indicators.** Turning Point Scotland has identified a set of key strategic indicators and results which will allow us to benchmark and measure organisational performance.

TURNING POINT SCOTLAND

Report of the Trustees

External Accreditation

We achieved the prestigious 'Bronze' Investors in People Accreditation, the most successful framework for business improvement through people in the UK. We are Positive about Disability employers. We hold the Bronze Award for Scotland's Health at Work Campaign (Healthy Working Lives) and we have Committed to Excellence since 2008 under the EFQM framework and were awarded Recognised for Excellence (R4E) in June 2013. We achieved FAST at silver level for meeting standards for software compliance.

Governance

We have a Board of up to 15 Directors and currently there are 15 Directors.

The following Board members resigned from the Board during the past year:

Margaret Nash (April 2012)

Anthony Wringe (February 2013)

Board members are required to undergo a rigorous induction process and to carry out Governance, Equalities and Dealing with Discipline training.

A calendar is in place to ensure we review Board policies and processes on a regular basis. The Board reviewed the following policies this year:

- Conflicts of Interest
- Fraud
- Services Under Financial Review
- Whistleblowing
- Investment
- Board Roles and Responsibilities

The Board also carried out a risk assessment in respect of the new anti-bribery legislation and incorporate additional procedures into the Conflicts of Interest Policy and Procurement policies in order to mitigate this risk.

The Board held a Board Review Day in June 2012 and following this review day significantly changed the format of Board meetings and Board communication in order to make better use of Board meetings and work more effectively as a Board.

The Board reviewed their accountability this year as part of their ongoing governance evaluation framework.

The Chair and Vice Chair carried out the appraisal of the Chief Executive and of individual Board members in the course of the year.

Service User Recover Stories

We illustrate our work this year with some recovery stories written by service users:

Louise's Story, Rosie's Social Enterprises

I decided to come to Rosie's as it was a distraction from my on going mental health problems. It was useful to have something meaningful to progress with and somewhere I could enjoy being creative.

Over the last two years at Rosie's I have learnt a lot about myself and other people. I can now relate to people better than before and have been able to build up friendships with other service users.

I have also learnt to realise my potential and give myself credit for my small and big achievements over the last two years. Managing to attend Rosie's during dips in my recovery shows the growth in my perseverance and has challenged my ability to follow a task through. Finally I have learnt a vast amount of technical skills which I will continue to use in my own creative work.

TURNING POINT SCOTLAND

Report of the Trustees

Governance (cont'd)

Louise's Story, Rosie's Social Enterprises (cont'd)

The placement has benefitted me through giving me a routine and motivating me to get out the house. If I started a shift in a low mood I have always felt better by the end of the day. The staffs have helped me to maintain my independence and confidence through supporting me to apply for a bus pass and organising a monthly budget together.

Rosie's also encouraged me to apply for further study at university and I succeeded in this through setting down small steps and goals in order to get to the bigger picture. Staff helped with the research and forms involved in organising this and we have also worked together to arrange a mentor for support and encouragement during my course. Last but by no means least I have really enjoyed my time and had a lot of fun whilst at Rosie's.

John, South East Alternatives

I was introduced to SEA in November 2012; at that time I had no structure or social life whatsoever. My health was not good and the future was something I did not want to think about. Since then, the difference has been remarkable. I can get out of bed in the mornings and take part in addiction group meetings daily. I have now put in place a gardening project which will last into April next year. The addiction team I deal with, Donny, Des, Eddie and Gerry, have been very supportive and informative with me, in particular Donny who never gave up on me when I relapsed. I know getting sober and staying that way won't be an overnight thing, it's a work in progress, but with the help of SEA and fellow group I feel 100 per cent more positive about the future. To be in the position I am in is amazing considering I never left my home or socialized for many years. SEA has been invaluable to me, it has given me hope, encouragement and belief that I can turn my life around. With their help and the help of other agencies I know I can make a great change in my life, with more work and effort into my sobriety.

HOPE by Adele Burns

I was all alone a few years ago,
No one to help, no one to know.
Drinking morning, noon and night,
I always knew this wasn't right.
After a while, I got a new flat,
I thought how am I going to manage that?
I was scared when I heard about new support workers.
When I met them, I didn't know what to think.
Not to worry, as soon as I met them, I felt relaxed, happy and calm.
They treated me with respect.
They helped me with all my problems.
Over the years, I've gone from strength to strength thanks to Turning Point.
I couldn't have done it without them.
I owe my whole life to them.
I am a recovering alcoholic and over the years, I've been vulnerable, depressed and lonely.
Since then, I've finally found the courage and determination to go on.
I've finally found what I lost all along.....hope

Investment Power

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

TURNING POINT SCOTLAND

Report of the Trustees (cont'd)

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.

In 2012-13 part of the overall Reserves Policy and part of the Risk Management Policy the company sought to achieve Company Development Reserves of three months' salary costs which it has achieved this year as shown in note 18.

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 its bank which limits 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.

Related Parties

The trustees receive no remuneration for fulfilling their role as trustees. Total expenses of £2,619 (2012: £3,860) were reimbursed to the trustees during the year.

Trustees' responsibilities for the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the surplus or deficit of the group for that period. 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 company and group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TURNING POINT SCOTLAND

Report of the Trustees (cont'd)

Disclosure of information to the auditor

As far as each of the trustees at the time the report is approved are aware:

- a) there is no relevant information of which the company's auditor is unaware; and
- b) the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

Auditor

Scott Moncrieff offers themselves for reappointment as the auditor in accordance with section 485 of the Companies Act 2006. A resolution to re-appoint them will be proposed at the Annual General Meeting.

The financial statements were approved by the Board on 17 September 2013



Tony Cameron C.B.
Trustee

TURNING POINT SCOTLAND

Independent Auditor's Report to the Members of Turning Point Scotland For the year ended 31 March 2013

We have audited the financial statements of Turning Point Scotland for the year ended 31 March 2013 which comprise the Consolidated and Company Statement of Financial Activities, Consolidated and Company Balance Sheet, Consolidated Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the group and parent company's members as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the company's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the group and parent company's members and to the company's trustees those matters we are required to state to them in an auditor's 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 group and parent company, the group and parent company's members and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group and parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 March 2013 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

TURNING POINT SCOTLAND

Independent Auditor's Report to the Members of Turning Point Scotland For the year ended 31 March 2013

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Scott-Moncrieff

**Gillian Donald, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow G2 6NL**

Dated: 17 September 2013

TURNING POINT SCOTLAND

Consolidated Statement of Financial Activities (incorporating income and expenditure account) For the year ended 31 March 2013

	Notes	Unrestricted Funds £	Restricted Funds £	2013 £	2012 £
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	2	23,060	76,000	99,060	103,767
- Investment income	3	16,674	-	16,674	10,296
Incoming resources from charitable activities	4	25,228,795	-	25,228,795	25,342,468
Total incoming resources		<u>25,268,529</u>	<u>76,000</u>	<u>25,344,529</u>	<u>25,456,531</u>
Resources expended					
Costs of generating funds					
- Costs of generating voluntary income	5	41,296	-	41,296	39,595
Governance costs	6	37,294	-	37,294	30,928
Charitable activities	7	24,653,677	76,000	24,729,677	24,613,144
Total resources expended		<u>24,732,267</u>	<u>76,000</u>	<u>24,808,267</u>	<u>24,683,667</u>
Net incoming resources		536,262	-	536,262	772,864
Gains and losses on revaluations of fixed assets for the charity's own use		(546,009)	-	(546,009)	-
Net (outgoing) / incoming resources	10	(9,747)	-	(9,747)	772,864
Total funds brought forward		<u>10,812,465</u>	<u>-</u>	<u>10,812,465</u>	<u>10,039,601</u>
Total funds carried forward	18	<u>10,802,718</u>	<u>-</u>	<u>10,802,718</u>	<u>10,812,465</u>

All income and expenditure is from continuing activities.

All recognised gains and losses in the current and previous year are included in the Statement of Financial Activities.

The notes on pages 18 to 28 form part of these financial statements

TURNING POINT SCOTLAND

Company Statement of Financial Activities (incorporating income and expenditure account) For the year ended 31 March 2013

	Notes	Unrestricted Funds £	Restricted Funds £	2013 £	2012 £
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	2	646,933	76,000	722,933	1,377,975
- Investment income	3	16,674	-	16,674	10,296
Incoming resources from charitable activities	4	25,228,795	-	25,228,795	25,342,468
Total incoming resources		<u>25,892,402</u>	<u>76,000</u>	<u>25,968,402</u>	<u>26,730,739</u>
Resources expended					
Costs of generating funds					
- Costs of generating voluntary income	5	41,296	-	41,296	39,595
Governance costs		36,544	-	36,544	30,178
Charitable activities		25,002,890	76,000	25,078,890	24,889,304
Total resources expended		<u>25,080,730</u>	<u>76,000</u>	<u>25,156,730</u>	<u>24,959,077</u>
Net incoming resources before revaluation		811,672	-	811,672	1,771,662
Gains and losses on revaluations of fixed assets for the charity's own use		(546,009)	-	(546,009)	-
Net incoming resources		265,663	-	265,663	1,771,662
Total funds brought forward		10,519,200	-	10,519,200	8,747,538
Total funds carried forward		<u>10,784,863</u>	<u>-</u>	<u>10,784,863</u>	<u>10,519,200</u>

All income and expenditure is from continuing activities.

All recognised gains and losses in the current and previous year are included in the Statement of Financial Activities.

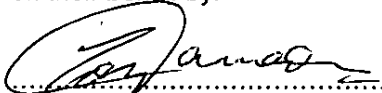
The notes on pages 18 to 28 form part of these financial statements

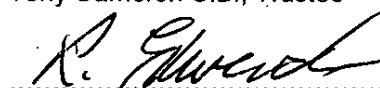
TURNING POINT SCOTLAND

Consolidated Balance Sheet As at 31 March 2013

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	12		5,067,730		5,528,238
Current assets					
Debtors	14	2,263,592		2,823,977	
Cash at bank and in hand		5,010,524		4,160,771	
		<u>7,274,116</u>		<u>6,984,748</u>	
Creditors : Amounts falling due within one year	15	<u>(1,539,128)</u>		<u>(1,683,673)</u>	
Net current assets			<u>5,734,988</u>		<u>5,301,075</u>
Total assets less current liabilities			10,802,718		10,829,313
Creditors: Amounts due after more than one year	16		-		(16,848)
Net assets			<u>10,802,718</u>		<u>10,812,465</u>
Reserves					
Restricted funds	18		-		-
Unrestricted funds	18		10,802,718		10,812,465
			<u>10,802,718</u>		<u>10,812,465</u>

The financial statements were authorised for issue by the Board on 17 September 2013 and are signed on their behalf by:-


.....
Tony Cameron C.B., Trustee


.....
Raymond Edwards, Trustee


Charity No: SC028827
Company No: SC194639

TURNING POINT SCOTLAND

Company Balance Sheet As at 31 March 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible fixed assets	12		5,067,730		5,528,238
Investments	13		1		1
			<u>5,067,731</u>		<u>5,528,239</u>
Current assets					
Debtors	14	2,749,468		5,205,953	
Cash at bank and in hand		4,203,979		972,767	
		<u>6,953,447</u>		<u>6,178,720</u>	
Creditors: Amounts falling due within one year	15	(1,236,315)		(1,170,911)	
Net current assets			<u>5,717,132</u>		<u>5,007,809</u>
Total assets less current liabilities			10,784,863		10,536,048
Creditors: Amounts due after more than one year	16		-		(16,848)
Net assets			<u>10,784,863</u>		<u>10,519,200</u>
Funds					
Restricted funds	18		-		-
Unrestricted funds	18		10,784,863		10,519,200
Net funds			<u>10,784,863</u>		<u>10,519,200</u>

The financial statements were authorised for issue by the Board on 17 September 2013 and are signed on their behalf by:-


TONY CAMERON C.B.
Trustee


RAYMOND EDWARDS
Trustee

Charity No: SC028827
Company No: SC194639

TURNING POINT SCOTLAND

Consolidated Cash Flow Statement As at 31 March 2013

	Notes	2013	2012
		£	£
Net cash inflow from operating activities	23	1,152,565	175,013
Returns on investments and servicing of finance			
Interest received		16,674	10,296
Interest paid		(812)	(1,880)
Net cash inflow from returns on investments and servicing of finance		15,862	8,416
Capital expenditure			
Payments to acquire tangible fixed assets		(247,674)	(80,000)
Net cash outflow from capital expenditure		(247,674)	(80,000)
Net cash inflow before financing		920,753	103,429
Financing			
Loans repaid		(71,000)	(71,000)
Net cash outflow from financing		(71,000)	(71,000)
Increase in cash	24	849,753	32,429

The notes on pages 18 to 28 form part of these financial statements

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

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 properly prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice 2005, "Accounting and Reporting by Charities" and applicable accounting standards.

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.

Going concern

The group's balance sheet at 31 March 2013 reflects a satisfactory cash flow and net assets position, and the group is expected to generate sufficient levels of incoming resources in the foreseeable future to cover resources expended. As a result, the trustees have continued to apply the going concern basis in preparing the financial statements.

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	-	fully depreciated in year of purchase
Fixtures and fittings	-	15% straight line
Computer equipment	-	25% straight line

Incoming resources from charitable 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 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.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

1. Accounting policies (cont'd)

Interest receivable

Interest is included when receivable by the charity.

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, as follows:

- Costs of generating voluntary income comprise those administration costs incurred in performing services that entitles the charity to grants or other voluntary income.
- Charitable expenditure comprises those costs incurred in the delivery of the charity's activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance 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.

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.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to resources expended on a straight line basis over the period of the lease.

Pensions

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

The company also participates in various defined contribution pension schemes. Contributions are charged to the income and expenditure account as they become payable in accordance with the scheme rules.

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 are the following amounts:

£76,000 received from Big Lottery in respect of our Rosie's Café service.

Unrestricted funds

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

Designated funds

Designated funds are funds earmarked for particular purposes.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

2. Incoming resources – voluntary income

Group	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Fundraised income	13,200	76,000	89,200	103,188
Donations	9,860	-	9,860	579
	<u>23,060</u>	<u>76,000</u>	<u>99,060</u>	<u>103,767</u>

Company	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Fundraised income	13,200	76,000	89,200	103,188
Donations	9,860	-	9,860	579
Amounts received from subsidiary undertaking – Gift Aid	623,873	-	623,873	1,274,208
	<u>646,933</u>	<u>76,000</u>	<u>722,933</u>	<u>1,377,975</u>

3. Incoming resources – investment income

Group and company	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Bank interest	<u>16,674</u>	<u>-</u>	<u>16,674</u>	<u>10,296</u>

4. Incoming resources from charitable activities

Revenue grants and contracts 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.

Group and company	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Revenue grants	18,148,322	-	18,148,322	17,555,932
Rental income	1,288,439	-	1,288,439	1,314,848
Other income	551,994	-	551,994	525,672
Supporting people income	3,509,032	-	3,509,032	4,228,574
Supporting cost income	1,731,008	-	1,731,008	1,717,442
	<u>25,228,795</u>	<u>-</u>	<u>25,228,795</u>	<u>25,342,468</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

5. Resources expended – costs of generating voluntary income

Group and company	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Staff costs	37,289	-	37,289	37,900
Project running costs	4,007	-	4,007	1,695
	<u>41,296</u>	<u>-</u>	<u>41,296</u>	<u>39,595</u>

6. Resources expended – governance costs

Group	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Audit fees	27,430	-	27,430	26,710
Board running costs	9,864	-	9,864	4,218
	<u>37,294</u>	<u>-</u>	<u>37,294</u>	<u>30,928</u>

7. Resources expended – charitable activities

Group	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Staff costs	20,404,832	76,000	20,480,832	20,704,832
Company running costs	3,269,981	-	3,269,981	2,939,458
Interest paid	812	-	812	1,880
Maintenance costs	341,046	-	341,046	322,789
Rent paid	637,006	-	637,006	644,185
	<u>24,653,677</u>	<u>76,000</u>	<u>24,729,677</u>	<u>24,613,144</u>

8. Employees

Staff costs consist of:

	2013 £	2012 £
Wages and salaries	18,490,935	18,536,074
Social security costs	1,409,522	1,348,170
Death in service insurance	86,314	11,705
Other pension costs	531,350	846,783
	<u>20,518,121</u>	<u>20,742,732</u>

As the defined benefit scheme closed to future accrual with effect from 31 March 2012, all pension contributions relate to defined contribution schemes.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

8. Employees (cont'd)

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

	2013 No	2012 No
Salaried	964	972
Sessional	135	83
	<u>1,099</u>	<u>1,055</u>

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

	2013 £	2012 £
£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 £9,945 (2012: £13,728).

9. Trustees

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

10. Net (outgoing)/incoming resources

	2013 £	2012 £
Net (outgoing)/incoming resources for the year are stated after charging:-		
Auditors' remuneration:		
- For audit services	27,430	26,710
- For taxation services	2,460	1,320
Depreciation of fixed assets	162,173	118,032
Operating lease rentals - buildings	565,665	595,304
- other	111,879	94,567
	<u></u>	<u></u>

11. Taxation

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

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

12. Tangible assets	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Group and company					
Cost or valuation					
At 1 April 2012	5,756,914	101,525	56,442	16,806	5,931,687
Additions	120,316	17,051	-	110,307	247,674
Movement on revaluation	(892,230)	-	-	-	(892,230)
At 31 March 2013	4,985,000	118,576	56,442	127,113	5,287,131
Depreciation:					
At 1 April 2012	228,676	101,525	56,442	16,806	403,449
Provided for the year	117,545	17,051	-	27,577	162,173
Movement on revaluation	(346,221)	-	-	-	(346,221)
At 31 March 2013	-	118,576	56,442	44,383	219,401
Net book value:					
At 31 March 2013	4,985,000	-	-	82,730	5,067,730
At 31 March 2012	5,528,238	-	-	-	5,528,238

The company's properties were revalued in June and August 2013 by DM Hall, Chartered Surveyors and RICS, Chartered Surveyors, at market value on a vacant possession basis.

On a historical cost basis, freehold property owned by the company would have been stated as follows:

	2013 £	2012 £
Cost	5,471,896	5,351,580
Accumulated depreciation	(883,760)	(775,278)
Net book value	4,588,136	4,576,302

13. Fixed asset investments	Group £	Company £
Cost and net book value		
At 1 April 2012 and 31 March 2013	-	1

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 had turnover of £23,589,806 (2012: £23,847,806) and made a loss after tax of £275,410 (2012: loss after tax of £998,798). At the end of the year, the aggregate of its capital and reserves was £17,856 (2012: £293,266).

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

14. Debtors	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	2,081,385	2,635,771	201,826	124,307
Amounts due from group undertakings	-	-	2,365,435	4,893,440
Other debtors	56,345	71,147	56,345	71,147
Prepayments	125,862	117,059	125,862	117,059
	<u>2,263,592</u>	<u>2,823,977</u>	<u>2,749,468</u>	<u>5,205,953</u>
15. Creditors: amounts falling due in less than one year	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank loans	16,848	71,000	16,848	71,000
Trade creditors	278,228	148,204	278,228	148,204
Taxation and social security	621,722	767,344	367,352	367,412
Pensions	63,455	98,694	63,455	98,694
Other creditors	183,182	185,020	183,182	185,020
Accruals	336,582	281,745	310,513	281,745
Deferred income	39,111	131,666	16,737	18,836
	<u>1,539,128</u>	<u>1,683,673</u>	<u>1,236,315</u>	<u>1,170,911</u>

The bank overdraft and loan facilities are secured by a bond and floating charge, a letter of set off and a first standard security over the company's properties at Mansewood Road, Maryhill Road, Glenfield Avenue, Phoenix Grove, Garpel Cottage, Turnhill Drive, Station Wynd, Overwood Drive, Maryholme Farm and Govan Road. Communities Scotland have a standard security over the property at Mansewood Road.

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

Movements in deferred income are analysed as follows:

At 1 April 2012	131,666	230,432	18,836	230,432
Deferred during the year	39,111	131,666	16,737	18,836
Less: released in year	(131,666)	(230,432)	(18,836)	(230,432)
At 31 March 2013	<u>39,111</u>	<u>131,666</u>	<u>16,737</u>	<u>18,836</u>

16. Creditors: amounts falling due after more than one year	2013 £	2012 £
Group and company		
Bank loans	-	16,848
Included within the above are amounts falling due as follows:-		
In 1 – 2 years	-	16,848
In 2 – 5 years	-	-
	<u>-</u>	<u>16,848</u>

Details of securities and repayment terms can be found in note 15.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

17. Operating leases

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as set out below:

	2013 Land & Buildings £	Other £	2012 Land & Buildings £	Other £
Operating leases which expire:				
Within one year	443,033	99,347	449,642	95,350
Within 2 to 5 years	67,400	12,610	116,021	16,529
	<u>510,433</u>	<u>111,957</u>	<u>565,663</u>	<u>111,879</u>

18. Reserves	At 1 April 2012 £	Transfer to unrestricted funds £	Retained for year £	At 31 March 2013 £
Group				
Restricted development reserves	-	-	-	-

Unrestricted funds	At 1 April 2012 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2013 £
General development reserve	7,507,267	-	455,542	17,150	7,979,959
<i>Designated reserves</i>					
Maintenance	13,664	-	-	-	13,664
Fund raising	44,677	-	(1,525)	-	43,152
Human resources	297,055	-	-	-	297,055
Capital	498,414	-	-	(1,344)	497,070
Service development	1,609,844	-	82,245	(7,699)	1,684,390
Revaluations	841,544	-	(546,009)	(8,107)	287,428
	<u>10,812,465</u>	<u>-</u>	<u>(9,747)</u>	<u>-</u>	<u>10,802,718</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

18. Reserves (cont'd)

Company	At 1 April 2012 £	Transfer to unrestricted funds £	Retained for year £	Transfer between funds £	At 31 March 2013 £
Restricted development reserves	-	-	-	-	-
Unrestricted funds	At 1 April 2012 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2013 £
General development reserve	7,214,002	-	730,952	17,150	7,962,104
<i>Designated reserves</i>					
Maintenance	13,664	-	-	-	13,664
Fund raising	44,677	-	(1,525)	-	43,152
Human resources	297,055	-	-	-	297,055
Capital	498,414	-	-	(1,344)	497,070
Service development	1,609,844	-	82,245	(7,699)	1,684,390
Revaluations	841,544	-	(546,009)	(8,107)	287,428
	10,519,200	-	265,663	-	10,784,863

Restricted development reserves represent the 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 £297,055.

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

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

19. Allocation of assets between funds	Unrestricted £	Restricted £	Total £
Group			
Fixed assets	5,067,730	-	5,067,730
Net current assets	5,734,988	-	5,734,988
	<u>10,802,718</u>	<u>-</u>	<u>10,802,718</u>
Company			
Fixed assets	5,067,731	-	5,067,731
Net current assets	5,717,132	-	5,717,132
	<u>10,784,863</u>	<u>-</u>	<u>10,784,863</u>

20. Contingent liabilities

The company received a grant of £242,596 during 2002 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, between 2001 and 2004, grants of £541,060 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	4.0%
Salary inflation	4.5%
Rate of increase to pensions in payment	2.3 – 3.7%
Rate used to discount scheme liabilities	5.3 – 6.8%

The assets and liabilities of the scheme as valued at the last triennial review at 31 March 2010 were:

	£'000
Assets	52,200
Liabilities	(62,300)
Deficit	(10,100)

The scheme was closed to new members with effect from 31 March 2011 and was closed to future accrual with effect from 31 March 2012. On 1 April 2012, the company set up a defined contribution pension scheme.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2013

22 Capital commitments

There were no capital commitments at 31 March 2013 or 31 March 2012.

23. Reconciliation of operating surplus to net cash inflow from operating activities

	2013 £	2012 £
Operating surplus	536,262	772,864
Bank interest received	(16,674)	(10,296)
Interest paid	812	1,880
Depreciation of tangible fixed assets	162,173	118,032
Decrease in debtors	560,385	13,273,998
Decrease in creditors	(90,393)	(13,981,465)
Net cash inflow from operating activities	<u>1,152,565</u>	<u>175,013</u>

24. Reconciliation of net cashflow to movement in net funds

	2013		2012	
	£	£	£	£
Increase in cash in the year	849,753		32,429	
Cashflow from change in debt	<u>71,000</u>		<u>71,000</u>	
		920,753		103,429
Change in net funds		920,753		103,429
Opening net funds		<u>4,072,923</u>		<u>3,969,494</u>
Closing net funds		<u>4,993,676</u>		<u>4,072,923</u>

25 Analysis of changes in net funds

	At 1 April 2012 £	Cash flows £	Non cash flows £	At 31 March 2013 £
Cash at bank and in hand	4,160,771	849,753	-	5,010,524
Debt due within one year	(71,000)	71,000	(16,848)	(16,848)
Debt due after one year	(16,848)	-	16,848	-
Total	<u>4,072,923</u>	<u>920,753</u>	<u>-</u>	<u>4,993,676</u>

26. Related party transactions

The trustees receive no remuneration for fulfilling their role as trustees. Total expenses of £2,619 (2012: £3,860) were reimbursed to 6 (2012: 6) trustees during the year.

Turning Point Scotland operates contracts on behalf of Turning Point Scotland Services Limited, its 100% owned subsidiary. During the year, Turning Point Scotland invoiced a sum of £23,524,806 (2012: £23,782,806) to its subsidiary in respect of these contracts. In addition £73,553 (2012: £73,553) in payroll costs were recharged to the subsidiary for management services provided.

The amount due from Turning Point Scotland Services Limited at 31 March 2013 is £2,365,435 (2012: £4,893,440).