

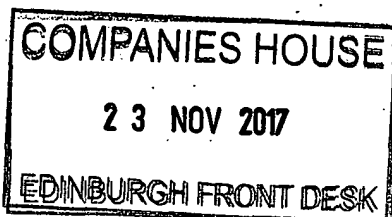


**Scott-Moncrieff**  
business advisers and accountants

**TURNING POINT SCOTLAND**

**Report and Consolidated Financial Statements**  
**For the year ended 31 March 2017**

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



## **TURNING POINT SCOTLAND**

### **Report and Consolidated Financial Statements For the year ended 31 March 2017**

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## **TURNING POINT SCOTLAND**

### **Company Information**

#### **Directors and Trustees**

Tony Cameron C.B.	(retired 14 September 2016)
Elizabeth Gray	
Ewan McIntyre	
Sheila Fazal	Chair
Joanne Pike	
Dorothy McElroy	Vice Chair
Craig Findlay	(resigned 4 November 2016)
Robert MacIntosh	
Bienvenido Arturo Langa-Ferreira	
Paul McAuslan	
Claire Nisbet	(resigned 18 April 2017)
Brian O'Suilleabhain	(resigned 16 May 2016)
Lindsay Hamilton	(appointed 14 September 2016)

#### **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**

Bank of Scotland  
167-201 Argyle Street  
Glasgow  
G2 8BU

#### **Solicitor**

Brodies LLP  
15 Atholl Crescent  
Edinburgh  
EH3 8HA

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

The Trustees present the Trustees' Report (incorporating the Strategic Report) and the consolidated financial statements for the year to 31 March 2017.

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

### **Objects of the Charity**

The guiding purpose of Turning Point Scotland's ambitions has not changed in the last reporting year. The Company is a not for profit making voluntary organisation and a registered charity limited by guarantee.

Turning Point Scotland (TPS) defines its service provision as person centred, extending a tailored service offering across a diverse range of services. These include people with drug, alcohol or mental health problems, people involved in the criminal justice system as well as those who are homeless. Additionally, a significant level of provision is extended to those with learning disabilities as well as autism, early onset dementia and acquired brain injury.

One of our guiding principles is to address that inequality. We do this by helping the people we support to build their confidence to take control of their lives. We promote citizenship and support them to become more active members of their communities by focusing on the things they can achieve rather than the things they can't.

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

As a significant third sector provider within Scotland we are influential in shaping policy and practice and continually adapt and innovate to develop effective services within an ever changing environment. Our primary sources of funding are local authorities, the NHS, Scottish Government and increasingly private individuals with the advent of 'self directed support'.

### **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).

### **Strategic Report**

#### **Results and Key Performance Indicators**

The income and expenditure account is included within the Group Statement of Financial Activities on page 15. The group made a deficit of £2,544,919 in the year to 31 March 2017.

There was a number of one off extenuating circumstances leading to the size of the deficit. The pension deficit provision was increased this year leading to £2,072,000 charge to the Statement of Financial Activities in the year (note 26). £1,525,000 of this charge is due to an increase in the recovery plan contributions that are payable and £464,000 is due to a change in the assumptions used for the net present value calculation for the liability. The remaining £83,000 is the interest charge for the year. There is also a £247,000 charge in relation to the restructuring of a number of grades of staff.

Taking the above into account the company had an underlying deficit of £225,919. This includes £348,000 of investment made by the Board into pilot funding a number of new services.

Turning Point Scotland collects a wide range of management information to assist with managing its activities and demonstrating the impact it has on individuals and society.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

#### ***Trust Income***

The charity works actively to increase the value it brings to our services and in the year raised £146,547 from the Big Lottery for the Renfrewshire Housing First service. May we express our grateful thanks to The Big Lottery Fund for their support.

#### ***Turning Point Scotland Charitable Donations***

During the year Make it Happen distributed £10,474 to people who use services to help them achieve their aspirations and goals. Individual awards included a visit to Knockhill, a memorial plaque and dog training classes. Additionally, a number of people received awards for equipment and qualifications to enable them to take up hobbies, college courses or employment. May we express our grateful thanks to staff for their contributions donated through payroll giving and fundraising activities.

#### ***Going Concern***

Even though the charitable company has had to make a further provision for the DB Pension Scheme of £2,072,000 during the year it still has considerable financial resources and is expected to generate sufficient levels of income in the foreseeable future to cover expenditure. The trustees thus consider the company will continue in operational existence for a period of at least twelve months.

#### ***Regulation***

6 services are not required to be registered with the Care Inspectorate. Over the year we had 36 inspections, resulting in only 6 requirements. 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.

#### ***Premises***

We operate from leased and owned premises aiming to ensure that they are accessible and fit for purpose. We strive to develop the asset base of the charity to support our service users. We now own 22 properties across Scotland.

#### ***Investment Power***

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

#### ***Reserves***

The group has two categories of reserves - Restricted Funds (can only be used for specific services) and Unrestricted Funds (can be used by the group). Further details of these funds can be found in note 22.

In 2016-17 as part of the overall Reserves Policy and part of the Risk Management Policy the group sought to achieve Company Development Reserves of three months' salary costs. Currently we do not achieve this but we are working towards it.

At the year end the group held total reserves of £4,478,939 (2016: £7,023,858), of which £100,039 (2016: £108,082) were restricted and £4,378,900 (2016: £6,915,776) were unrestricted.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

#### ***Service Provision***

As at 31 March 2017, we provide 43 services. Each service has its own infrastructure and volume of service delivery including the number of locations and the number of people being supported. 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.

The organisation supported 7,599 individuals between 1 April 2016 and 31 March 2017, not including needle exchange. This involved 6043 referrals, 3282 assessments, and 5100 programmes of support, and represents an increase of 9% more individuals working with the organisation on the previous year (7003 in 2015/2016).

We had 1129 contracted employees and 263 relief workers in post on the 31 of March 2017. Turning Point Scotland has a comprehensive training programme in place which helps to make sure staff have the necessary skills and knowledge to do their work. Service user and staff safety is an important part of this however it also helps people to meet their registration, training and learning requirements as part of registration with the Scottish Social Services Council.

Our SQA awards programme continues to run at high levels. In 2016/17 we enrolled 56 people to do their SQA awards across a range of SVQ levels 2, 3 and 4 and the PDA professional development award. Forty people gained their qualifications in the financial year 2016/17 (from the previous year's intake) as people generally don't obtain their award within the reporting year. Completions for this year's intake will become more evident in next year's trustees report although seven people had obtained their PDA award by March 2017.

Our course delivery numbers grew from the previous year up from 637 to 722 courses providing around 5,800 training days across a wide range of Health and Safety, knowledge and skills based learning. Many of the additional courses are due to the company's decision to use a new programme called MAPA in Learning Disability Services to help staff work with Managing Actual and Potential Aggression.

Turning Point Scotland e learning courses also continued to grow in popularity with 2178 completions, up from 625 in the previous year. This was mostly due to new courses becoming available on data and information management, lone working, safer protection, welcome to Turning Point Scotland and cannabis awareness.

#### ***Service User Recover Stories***

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

##### ***JMcC's story- Renfrewshire***

J came to live in 2004. J frequently points to his flat with pride and says 'see that flat, that's my flat and I like that flat'. He had previously resided at Barrington House in Beith. J has complex mental health problems and was supported by a designated team to provide continuity of care. J would rarely leave his flat unless he was going to visit his father with whom he has a close bond. He would mostly only communicate with his team and would avoid contact with others whenever possible. J could not be supported by female staff members as he became very agitated and his behaviours would become increasingly challenging. This included being verbally aggressive to the point that staff had to temporarily withdraw for a few minutes to allow him to recover. J also had great difficulty and became very anxious when suggestions were made to include him in activities. This could have been the gentlest suggestion, for example, a walk to the local shop or a visit to a neighbour for a coffee. Every day was a trial for J and he was fearful and very wary of most aspects of everyday life.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

#### ***Service User Recover Stories (cont'd)***

During re-assessment from the local authority, it was decided that J would no longer have a sleepover in his own flat. J was quite concerned about this, but staff offered constant reassurance, explaining that he would not be alone as a staff member would be in the core area (staff base) and J could contact them at any time. He began to engage with other members of staff to look for reassurance and this eventually soothed J and also encouraged him to communicate with more people than he had previously. This led to J feeling more comfortable because he began to build trust and relationships with staff he had previously preferred not to engage with. J was then slowly introduced to staff members who had not worked closely with him, allowing him to establish the same levels of trust that he had with his previous teams. J became more sociable and began to venture to the core area and other service users flats to have a coffee and a chat. J also expressed an interest in going to watch St Mirren and was supported to purchase a season ticket. He attends matches sporadically with some of the other residents, and when he has attended, J has coped well and enjoyed himself. J regularly asks to go either to the pub or café and has on a few occasions asked to go to the cinema. Once he is ready in the morning, J is very keen to visit the core and have a coffee and a chat about what everyone is doing that day. J also likes to tell people all about his visits to see his dad. These visits have increased to twice a week. J's relationship with his family has always been positive, but his relationship with his father is one that J values the most. J has recently celebrated his birthday in the core and some members of his family attended. This would previously have been very difficult for J and it was something that he would not have coped with before. J has begun attending his reviews in the last 2 years and again has coped very well during these. J is also very comfortable going for walks and when he is out in the community he engages with others in a polite and respectful manner. J has developed into a popular member of the Turning Point family and has developed and maintained several meaningful relationships.

#### ***M's story- Aberdeen***

At the beginning I didn't want support. I felt I could manage and I didn't trust many people. I thought that when I was receiving support, people were interfering. I thought that people would think that I couldn't manage to go shopping, pay my bills or attend appointments by myself.

I began to realise how good the support workers were, but had a fear and used to panic that if I was introduced to other workers, they might not be as good as the workers that I had already met. I began to realise that all the support workers that I was introduced to were good.

I then had a fall and had to move house as it wasn't safe for me to continue living there. I feel that I would never have managed to move house without the help of my support workers. I had lost my confidence to do things like calling the GP, Optician, dealing with my finances etc. I stopped doing things like going to the bank due to lack of confidence, but with help from my support workers I feel that I have the confidence to go the bank myself now. I have made lots of friends in the complex that I have moved to. With the support I receive, my confidence is now growing every day. I am going out with friends in a social setting, to the theatre and to the bingo – doing things that I had not done in many years.

#### ***N's story- Glasgow***

Since starting with the 218 (Turning Point) Service over 8 months ago my life has completely taken a 360 turn around. When I started at 218 Service my life, well I didn't have a life was in chaos. I was on community service, was also on a 12 month probation order, I had numerous charges stocked against me. Due to my life at that time I locked myself away from the world, was completely paranoid and was still using drink and drugs.

Entering the 218 Service I saw this as my last chance at life or I would end up back in prison and that for me would have been the worst thing ever. Being accepted for me was a big thing. I got off to a rough start struggled to attend day services, Alice my worker came out to my home three times to try and encourage me to attend, Alice told me that my programme was at risk due to poor attendance and if I continued to miss appointments my place would be given to another woman who needed the support, help they wanted and help I needed. I was also desperate for support I just couldn't drag myself out of bed or off the sofa. Eventually Alice got through to me and gave me the kick up the ass I needed.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

#### ***Service User Recover Stories (cont'd)***

I have started to attend 2 to 3 times per week, I have a sense of life again, and my confidence has come back slowly. Since starting with the 218 I am 3 court cases down, my community service has been completed successfully and my confidence is growing more and more.

My Dad sadly passed which I have found really tough, I did have a relapse, found myself wanting to take my own life but with added support from Alice, keeping me on track, I am moving in the right direction and my confidence is building. Alice made referral to two college courses for me with my agreement, at the time they both sounded just what I needed but due to the location of the college, the area was a concern for me, (I don't want to go into).

I felt unable to attend on my first day, I came into 218 to speak with Alice she helped calm me down and spoke with workers at the college and a support plan was put in place for me. My fear and paranoia all disappeared. A few weeks into my course due to my new confidence I found myself entering into a pageant for transgender women. I travelled for 10 hours to Cardiff, I was so nervous not knowing what to expect or not knowing anyone there but there was no need for worry as I was accepted right away and fitted in with no problem, I helped with the re crowning, won best new comer, I was also given a slim slot on TV and also radio and since arriving home I have been advised that I have been made editor of Miss Transsexual UK and models UK.

My life has just begun and it's all down to the persistence and patience of Alice and the other day service workers at 218. I know that there is a long way to go but I am up for the challenge.

#### ***Involving People who use Services***

TPS Connects is a forum that people who want to be more involved in decisions made within the organisation can join.

The TPS Connects Committee delivered a conference in May 2016 for people supported in learning disability services. It was a very positive event with 96 service users in attendance. The theme of the conference was Citizenship and a Commitment to Citizenship setting out the way Turning Point Scotland commits to working with people was launched at the event.

TPS Connects members from Glasgow were involved in a number of projects at Head Office, including writing a bid for new services in Glasgow and the recruitment for the Chief Executive position.

#### ***Staff Involvement***

Both our Joint Consultative Committee and TPS Staff Connects 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.

#### ***People with Disabilities***

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

The company recognises its obligations towards disabled persons and endeavours to provide as many employment, training and career opportunities as the demand of the company's operations and the abilities of the disabled person allow.



## TURNING POINT SCOTLAND

### Trustees' Report (incorporating the Strategic Report)

#### *The External Environment*

The operating environment for Turning Point Scotland remains very challenging with no immediate signs of respite. Public sector financial restrictions continue to bite and are driving an ever increasing series of inherent contradictions within the system. Examples of this would include the recognised disparity between the commissioning and procurement processes; The tension between the rhetoric of strategic need and the reality of short term agreements, financial arrangements and planning cycles; the expectation of outcomes in a system that actions and drives outputs; and an ever-growing evidence base of growing need met with increasingly finance driven decisions. The consequence of this is, of course, an environment based upon what the budget will allow rather than what people actually need.

The competitive nature of the third sector where organisations vie for tender success against each other is clearly predicated on private sector principles to drive cost efficiency, innovation and quality standards. Whilst this approach may have delivered some level of benefit, the increasingly arbitrary nature of cost reductions is now fuelling a demonstrable reduction in quality, standards and overall provision. The 2016 CCPS Business Resilience Survey demonstrated 60% of responding members had abstained or withdrawn from a procurement process in the preceding year. And 20% had withdrawn from current contracts because they were no longer financially viable.

The current approach appears to be increasingly unsustainable and is also highly inflexible. This is generating more emphasis around alliancing and strategic collaboration. There is however insufficient guidance and direction on this and is happening in conjunction with the continuing expectation of an ultimate tendering exercise which places suppliers in an invidious commercial position.

The integration of health and social care was an important development for the sector which would properly recognise the role of charitable providers. The pace of the integration has been very slow and the anticipated benefits are yet to materialise. Audit Scotland have been critical of progress highlighting an overconcentration on structures and governance rather than practical benefit on the ground.

Scottish Government, in an attempt to hasten the pace of 'Integrated Joint Board' progress published the Health and Social Care Delivery Plan in December 2016. This plan, however remains health-centric in its content and to some extent underlines the lack of actual integration through its failure to reflect the value social care can add in terms of prevention and early intervention.

Self Directed Support (SDS) was intended to become established as the default mechanism for social care in Scotland. This has not yet happened. Progress, perhaps impacted by issues within the integration of health and social care agenda, has been slow. Turning Point Scotland has developed some capabilities in the delivery of SDS but it has not as yet seen the promised potential of the approach.

The fair work agenda which has seen significant progress on both the national living wage and the Scottish real living wage for social care organisation continues. Although a welcome development it has brought significant complexity and necessitated detailed discussions with all local authorities. Whilst the pay uplift is positive and something to be welcomed it must also be recognised that it has also put considerable additional stress on an already difficult financial landscape where the costs are largely manifesting in reductions in levels of provision.

Community Justice Scotland has now come into force from April 2017 and replaces the previous Community Justice Authority arrangements. Whilst Turning Point Scotland is fully engaged with the new body it is too early to tell how the new arrangements will operate in practice either in terms of funding or the development of national policy initiatives.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

#### ***Strategic Direction***

Turning Point Scotland has been operating in accordance with the Strategic Plan 2016-2018.

The three strategic priorities outlined in the plan are:

1. Ensuring excellence in service delivery which will contribute to sustaining and growing our business;
2. Ensuring that Turning Point Scotland is a great place to work full of talented people; and
3. Enhancing and building on our positive reputation and profile.

In addition, there are six guiding principles:

1. Clarity of purpose;
2. Building consensus and capacity;
3. Having an appropriate infrastructure;
4. Calculated risk taking;
5. Building momentum; and
6. Using leverage.

The organisation has embraced a strong values base which is evident across the various services and is reflected in consistently high scoring assessments from the Care Inspectorate. There is a deliberate focus on service users and their specific needs which is in line with the company's strapline 'Making services fit people'. A practical example of how this service user focus is delivered is in our approach to 'citizenship'. Using an approach developed in conjunction with Yale University the model involves building the capacity of individuals to ensure long term supports are in place to enable them to enjoy the full benefits of active citizenship. Such an approach promotes individuals to become more active members of their communities by focusing on the things they can achieve rather than the things they can't.

Due to a number of significant developments during this year including the appointment of a new Chief Executive and the inclusion of over 100 new members of staff under the new Glasgow Flexible Outreach Service it was considered appropriate to refresh the strategy 12 months early and work is currently underway to do this.

Turning Point Scotland has secured a strong position of influence and success in the sector and the revised strategy is intended to build on these strong foundations. The approach being taken is inclusive and consultative with an aim of using the exercise as a vehicle to enhance understanding and galvanise around a shared sense of mission against a very challenging operating environment. It is not expected that the strategy will deliver a radical change of direction but rather a sharper focus, a more developed range of operating practices and a clarity over some key areas for strategic emphasis over the next few years.

#### ***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 and are conducted in alternate years. These organisational processes overlay the oversight and monitoring of service provision through line management structures.

Specific monitoring activities include:

1. **Information Gathering:** Turning Point Scotland gathers a range of information to ensure that it is monitoring its performance adequately. Such information is reported 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 including absenteeism, turnover and training; health and safety, quality systems, service user outcomes and staff outputs. We have an outcomes database in place to gather and analyse both quantitative and qualitative information.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (Incorporating the Strategic Report)**

#### ***Monitoring Performance (cont'd)***

2. **Setting targets to monitor performance:** The great challenge in working to targets is to make sure that they are meaningful. The main target for Turning Point Scotland is to make a positive difference to individual lives in a person-centred and aspirational way. To this end, our services use a suite of outcomes frameworks which gather information that track an individual's progress and which can be aggregated to give a company overview. Turning Point Scotland is working to consolidate these frameworks across service sectors using the Scottish Government's Recovery Outcomes (RO) tool.
3. **Setting key results and performance indicators:** Turning Point Scotland will be reviewing and developing key strategic indicators and results which will allow us to benchmark and measure organisational performance in line with the ongoing strategic review.

#### ***External Accreditation***

At the Beautiful Perth competition the Perth Shore Road Garden Project (officially became Rosie's Garden in April 2017) was entered into the August 2016 competition in the Neighbour category, winning a Gold certificate for the standard of the garden. The team then won the overall Neighbourhood category, receiving another certificate and a silver platter which is engraved and kept for a year.

#### ***Risk Management***

The company has a company-wide risk management plan within which financial risks are assessed and managed. The high level risks as of 31<sup>st</sup> March 2017 were as follows:

- Organisational turnover reduces as a result of tender process or from centrally funded sources ie Scottish Government etc
- Our pension arrangements threaten the financial stability of the organisation
- A risk to our pension arrangements should Turning Point England get into severe financial difficulties or indeed go out of business and Turning Point Scotland are left with the overall liability
- We lose key personnel for the organisation e.g. Chief Executive, Directors, Payroll Manager etc
- We fail to ensure physical, financial, emotional and sexual safety of people we support

These are reviewed and discussed regularly at every Executive Team meeting and at every Audit & Risk Assurance Committee meeting. A comprehensive annual review of the risk management plan is carried out by the Executive Team.

The company has no foreign transactions and therefore is not exposed to currency exchange risks.

#### ***The Future***

It is clear that there has never been a more challenging period in the health and social care sector. Changing demographics, political uncertainty fuelled by 'Brexit' discussions and speculation over Scottish independence, a shrinking workforce and escalating recruitment issues and ongoing fallout from financial austerity are but some of the challenges we face.

Turning Point Scotland remains a strong and prominent operator within a sector well regarded for its ability to adapt and innovate. We are also an organisation with a determined vision to extend our experience and approach to caring for and working with individuals with the most complex needs. Without minimising the challenge, Local Authorities cannot divest their responsibilities in the areas we currently help to fulfil. There is also an emerging consensus that the current arrangements are simply unsustainable going forward. These two facts present Turning Point Scotland with significant opportunity to help generate alternative and innovative options which do not compromise our service quality or values for which we are well regarded. With a track record for creative solutions which have helped shape policy decisions in the past, we are well placed to work alongside local and national policymakers to drive new approaches for the future.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

#### ***The Future (cont'd)***

As a company we will remain focused on sustaining and growing our core business based around strong values, a person centred approach and high levels of service quality. A professional, structured and energetic approach will be taken to business opportunities as they arise. At the same time, we will work with stakeholders and policymakers to leverage our experience and influence to stimulate alternative approaches and generate fresh opportunities for the future.

#### **Constitution**

Turning Point Scotland is a company limited by guarantee and not having a share capital, with registration number SC194639. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of Scottish Charity Regulator (OSCR) under charity number SC028827. Turning Point Scotland has Memorandum and Articles of Association which establish the objectives and powers of the charitable company and is governed under its Articles of Association of 9 March 1999.

#### **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.

The trustees receive no remuneration for fulfilling their role as trustees. Total expenses of £2,026 (2016: £1,712) were reimbursed to the trustees during the year.

#### **Governance**

We have a Board of up to 15 Directors and currently there are 9 Directors. 3 Board members resigned from the Board during the past year and 1 Director retired.

Board members are required to undergo an induction process and to undertake relevant training.

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

- Scheme of Delegation
- Review of Compliance Process
- Review of Health & Safety Process
- Terms of Reference for the Audit & Risk Committee

The Board review the risk register, risk appetite and mitigation actions on an annual basis.

The Board held a Strategy day in November 2016.

An appraisal process in place to support the Chief Executive whereby an annual appraisal takes place with an interim 6-monthly progress review against objectives set. Individual Board members are now also appraised by the Chair and Vice-Chair to augment good governance.

## **TURNING POINT SCOTLAND**

### **Trustees' Report (incorporating the Strategic Report)**

#### **Reference and administrative details**

In accordance with the Memorandum and Articles of Turning Point Scotland, the Board has overall responsibility for the management of the resources of the company and ensuring its financial wellbeing. 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, Neil Richardson, who consequently oversees the functioning of the charity. Day to day operations of the charity are delegated to the Executive Management Team; Chief Executive, Director of Finance & Resources, Director of Operations and the Director of Business Development and Improvement.

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.

Details of the directors and trustees, secretary, registered office, principal office, auditor, bankers and solicitor are included on page 1.

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

The trustees are responsible for preparing the Trustees' Report (incorporating the Strategic 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 and company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charity SORP;
- 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; and
- 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 adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## TURNING POINT SCOTLAND

### Trustees' Report (incorporating the Strategic Report)

#### 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.

The trustees' report (incorporating the strategic report) was approved by the Board on 12.09.17 by:



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SHEILA FAZAL  
Trustee

## **TURNING POINT SCOTLAND**

### **Independent Auditor's Report to the Members of Turning Point Scotland For the year ended 31 March 2017**

We have audited the financial statements of Turning Point Scotland for the year ended 31 March 2017 which comprise the Consolidated and Company Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members as a body, in accordance with chapter 3, part 16 of the Companies Act 2006 and to the charity'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 members and to the charity'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 charitable company and its members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and the auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 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 2017**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees' Report (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (incorporating the Strategic Report).

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: 12.9.17



# TURNING POINT SCOTLAND

## Consolidated Statement of Financial Activities (incorporating income and expenditure account) For the year ended 31 March 2017

	Notes	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
<b>Income and endowments from:</b>					
Donations and legacies	6	67,840	-	67,840	170,049
Charitable activities	7	28,625,565	146,547	28,772,112	27,720,736
Investment income	8	6,612	-	6,612	19,824
Other income		37,372	-	37,372	7,500
<b>Total income and endowments</b>		<b>28,737,389</b>	<b>146,547</b>	<b>28,883,936</b>	<b>27,918,109</b>
<b>Expenditure on:</b>					
Charitable activities	9	31,274,265	154,590	31,428,855	27,259,726
Other		-	-	-	91,940
<b>Total expenditure</b>		<b>31,274,265</b>	<b>154,590</b>	<b>31,428,855</b>	<b>27,351,666</b>
<b>Net (expenditure)/income</b>	14	<b>(2,536,876)</b>	<b>(8,043)</b>	<b>(2,544,919)</b>	<b>566,443</b>
Total funds brought forward	22	6,915,776	108,082	7,023,858	6,457,415
Total funds carried forward	22	4,378,900	100,039	4,478,939	7,023,858

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 21 to 39 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 2017

	Notes	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
<b>Income and endowments from:</b>					
Donations and legacies	6	67,840	-	67,840	170,049
Charitable activities	7	28,625,565	146,547	28,772,112	27,720,736
Investment income	8	387,120	-	387,120	451,106
Other income		37,372	-	37,372	7,500
<b>Total income and endowments</b>		<b>29,117,897</b>	<b>146,547</b>	<b>29,264,444</b>	<b>28,349,391</b>
<b>Expenditure on:</b>					
Charitable activities	9	31,654,773	154,590	31,809,363	27,691,008
Other		-	-	-	91,940
<b>Total expenditure</b>		<b>31,654,773</b>	<b>154,590</b>	<b>31,809,363</b>	<b>27,782,948</b>
<b>Net (expenditure)/income</b>	14	<b>(2,536,876)</b>	<b>(8,043)</b>	<b>(2,544,919)</b>	<b>566,443</b>
Total funds brought forward	22	6,897,921	108,082	7,006,003	6,439,560
Total funds carried forward	22	<u>4,361,045</u>	<u>100,039</u>	<u>4,461,084</u>	<u>7,006,003</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.

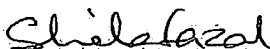
The notes on pages 21 to 39 form part of these financial statements

# TURNING POINT SCOTLAND

## Consolidated Balance Sheet As at 31 March 2017

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	16		5,113,924		5,205,904
<b>Current assets</b>					
Debtors	18	4,550,474		4,794,708	
Cash at bank and in hand		<u>3,477,795</u>		<u>3,337,106</u>	
		8,028,269		8,131,814	
<b>Creditors : Amounts falling due within one year</b>	19	<u>(3,173,254)</u>		<u>(2,490,860)</u>	
<b>Net current assets</b>			<u>4,855,015</u>		<u>5,640,954</u>
<b>Total assets less current liabilities</b>			9,968,939		10,846,858
<b>Creditors: Amounts falling due after more than one year</b>	20		<u>(5,490,000)</u>		<u>(3,823,000)</u>
<b>Net assets</b>			<u>4,478,939</u>		<u>7,023,858</u>
<b>Funds</b>					
Restricted funds	22		100,039		108,082
Unrestricted funds	22		<u>4,378,900</u>		<u>6,915,776</u>
<b>Net funds</b>	23		<u>4,478,939</u>		<u>7,023,858</u>

The financial statements were authorised for issue by the Board on 12.9.17 and are signed on their behalf by:-



Sheila Fazal, Trustee



Dorothy McElroy, Trustee

Charity No: SC028827

Company No: SC194639


The notes on pages 21 to 39 form part of these financial statements

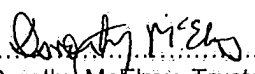
# TURNING POINT SCOTLAND

## Company Balance Sheet As at 31 March 2017

	Notes	2017	2016
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	16	5,113,924	5,205,904
Investments	17	1	1
		<u>5,113,925</u>	<u>5,205,905</u>
<b>Current assets</b>			
Debtors	18	3,976,970	5,087,414
Cash at bank and in hand		3,355,372	2,451,478
		<u>7,332,342</u>	<u>7,538,892</u>
<b>Creditors: Amounts falling due within one year</b>	19	(2,495,183)	(1,915,794)
<b>Net current assets</b>		<u>4,837,159</u>	<u>5,623,098</u>
<b>Total assets less current liabilities</b>		<u>9,951,084</u>	<u>10,829,003</u>
<b>Creditors: Amounts falling due after more than one year</b>	20	(5,490,000)	(3,823,000)
<b>Net assets</b>		<u>4,461,084</u>	<u>7,006,003</u>
<b>Funds</b>			
Restricted funds	22	100,039	108,082
Unrestricted funds	22	4,361,045	6,897,921
<b>Net funds</b>	23	<u>4,461,084</u>	<u>7,006,003</u>

The financial statements were authorised for issue by the Board on 12.9.17 and are signed on their behalf by:-

  
Sheila Fazal, Trustee

  
Dorothy McElroy, Trustee

Charity No: SC028827  
Company No: SC194639

The notes on pages 21 to 39 form part of these financial statements

# TURNING POINT SCOTLAND

## Consolidated Statement of Cash Flows As at 31 March 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash provided by/(used in) operating activities	28	146,463	(21,849)
<b>Cash flows from investing activities</b>			
Interest receivable		6,612	19,824
Proceeds from sale of tangible fixed assets		-	89,100
Payments to acquire tangible fixed assets		(12,386)	(500,880)
<b>Net cash used in investing activities</b>		<u>(5,774)</u>	<u>(391,956)</u>
<b>Increase/(decrease) in cash in the year</b>		140,689	(413,805)
Cash and cash equivalents at 1 April		3,337,106	3,750,911
<b>Cash and cash equivalents at 31 March</b>		<u>3,477,795</u>	<u>3,337,106</u>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<u>3,477,795</u>	<u>3,337,106</u>

The notes on pages 21 to 39 form part of these financial statements

**TURNING POINT SCOTLAND**

**Company Statement of Cash Flows  
As at 31 March 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash provided by/(used in) operating activities	28	909,668	(763,430)
<b>Cash flows from investing activities</b>			
Interest receivable		6,612	19,824
Proceeds from sale of tangible fixed assets		-	89,100
Payments to acquire tangible fixed assets		(12,386)	(500,880)
<b>Net cash used in investing activities</b>		<u>(5,774)</u>	<u>(391,956)</u>
<b>Increase/(decrease) in cash in the year</b>		<u>903,894</u>	<u>(1,155,386)</u>
Cash and cash equivalents at 1 April		2,451,478	3,606,864
<b>Cash and cash equivalents at 31 March</b>		<u><u>3,355,372</u></u>	<u><u>2,451,478</u></u>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<u><u>3,355,372</u></u>	<u><u>2,451,478</u></u>

The notes on pages 21 to 39 form part of these financial statements

## **TURNING POINT SCOTLAND**

### **Notes to the Consolidated Financial Statements For the year ended 31 March 2017**

#### **1. General information**

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. They comprise the financial statements of the company and its subsidiary (together 'the group') drawn up for the year ended 31 March 2017.

The principal activities and core business of the group continued to be that of provision of services to people with drug, alcohol or mental health problems and for people with a learning disability.

Turning Point Scotland is a private company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Regulator (OSCR) under charity number: SC028827. In the event of the winding up of the company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on the company information page of these financial statements.

#### **2. Statement of compliance**

The financial statements are prepared in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **3. Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented; in dealing with items which are considered material in relation to the group's financial statements unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention (modified to include the revaluation of certain fixed assets).

Turning Point Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in applying the accounting policies (see note 4).

##### **Going concern**

The group's Balance Sheet at 31 March 2017 reflects a satisfactory cash and net assets position, and the group is expected to generate sufficient levels of income in the foreseeable future to cover expenditure. As a result, the trustees have continued to apply the going concern basis in preparing the financial statements.

## **TURNING POINT SCOTLAND**

### **Notes to the Consolidated Financial Statements For the year ended 31 March 2017**

#### **3. Accounting policies (cont'd)**

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the charity 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 Paragraph 3(3) of Schedule 4 of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

##### **Income recognition**

###### ***Rental income***

Rental income from the group's properties and income from café sales are included in income in the period to which it relates.

###### ***Donations and grants***

Income from donations and grants, including capital grants, are included in the Statement of Financial Activities when the group is entitled to the income, it is probable that the income will be received and the amounts can be measured reliably, except as follows:

- when donors specify that donations and grants given to the group 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 group becomes entitled to use such income, the income is deferred and not included in the Statement of Financial Activities 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 the Statement of Financial Activities as restricted funds when receivable.

###### ***Interest receivable***

Interest is included when receivable by the group.

##### **Expenditure**

Expenditure is included in the Statement of Financial Activities on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. Certain expenditure is directly attributable to specific activities and has been included in those cost categories, as follows:

- Charitable expenditure comprises those costs incurred in the delivery of the group'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 group 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.
- Support costs, which are attributable to more than one activity, are apportioned across activities on the basis of the relative cost of those activities.



## **TURNING POINT SCOTLAND**

### **Notes to the Consolidated Financial Statements For the year ended 31 March 2017**

#### **3. Accounting policies (cont'd)**

##### **Operating leases**

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

##### **Pensions**

The group 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 group also participates in various defined contribution pension schemes. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the scheme rules.

##### **Taxation**

The company is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of its income.

##### **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

##### **Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **Financial Instruments**

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities comprising trade and other debtors and creditors, and loans to related parties. The debt instruments wholly repayable after one year, comprises the pension liability. This is initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash expected to be paid or received.

## **TURNING POINT SCOTLAND**

### **Notes to the Consolidated Financial Statements For the year ended 31 March 2017**

#### **3. Accounting policies (cont'd)**

##### **Financial instruments (cont'd)**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

##### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

##### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than twelve months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **Creditors**

Short term trade creditors are measured at the transaction price.

##### **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 charged to the fund, together with a fair allocation of overhead support costs.

Included within restricted funds are the following amounts:

- £146,547 received from Big Lottery in respect of our Housing First Renfrew service, balance at the year end £76,949.
- £122,540 received in the prior year from Big Lottery in respect of our Low Moss service, balance at the year end £15,326.

##### **Unrestricted funds**

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

##### **Designated funds**

Designated funds are funds earmarked for particular purposes by the trustees. The designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

#### **4. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates and the pension assumptions. Depreciation rates have been deemed to be appropriate for the class of asset. Pension assumptions and the discount rate applied to pension liabilities have been reviewed and have been deemed to be appropriate.

# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

### 5. Comparative Statement of Financial Activities (Incorporating Income and Expenditure Account)

Group	Unrestricted Funds £	Restricted Funds £	2016 £
<b>Income and endowments from:</b>			
Donations and legacies	170,049	-	170,049
Charitable activities	27,319,523	401,213	27,720,736
Investment income	19,824	-	19,824
Other income	7,500	-	7,500
<b>Total income and endowments</b>	<b>27,516,896</b>	<b>401,213</b>	<b>27,918,109</b>
<b>Expenditure on:</b>			
Charitable activities	26,896,217	363,509	27,259,726
Other	91,940	-	91,940
<b>Total expenditure</b>	<b>26,988,157</b>	<b>363,509</b>	<b>27,351,666</b>
<b>Net income</b>	<b>528,739</b>	<b>37,704</b>	<b>566,443</b>

Company	Unrestricted Funds £	Restricted Funds £	2016 £
<b>Income and endowments from:</b>			
Donations and legacies	170,049	-	170,049
Charitable activities	27,319,523	401,213	27,720,736
Investment income	451,106	-	451,106
Other income	7,500	-	7,500
<b>Total income and endowments</b>	<b>27,948,178</b>	<b>401,213</b>	<b>28,349,391</b>
<b>Expenditure on:</b>			
Charitable activities	27,327,499	363,509	27,691,008
Other	91,940	-	91,940
<b>Total expenditure</b>	<b>27,419,439</b>	<b>363,509</b>	<b>27,782,948</b>
<b>Net income</b>	<b>528,739</b>	<b>37,704</b>	<b>566,443</b>

# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

### 6. Donations and legacies

Group and company	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Grants	46,105	-	46,105	90,000
Donations	12,276	-	12,276	65,489
Fundraising	9,459	-	9,459	14,560
	<u>67,840</u>	<u>-</u>	<u>67,840</u>	<u>170,049</u>

### 7. Income from charitable activities

Revenue grants and contracts are received by the group 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 £	2017 £	2016 £
Substance misuse	2,972,582	-	2,972,582	3,252,253
Homelessness	3,099,522	146,547	3,246,069	3,323,697
Mental health	1,680,595	-	1,680,595	1,642,281
Housing support	1,618,191	-	1,618,191	1,515,539
Learning disability	15,312,210	-	15,312,210	14,221,814
Criminal justice	3,611,913	-	3,611,913	3,460,900
Housing management	330,552	-	330,552	304,252
	<u>28,625,565</u>	<u>146,547</u>	<u>28,772,112</u>	<u>27,720,736</u>

### 8. Investment income

Group	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Bank interest	<u>6,612</u>	<u>-</u>	<u>6,612</u>	<u>19,824</u>
Company	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Bank interest	6,612	-	6,612	19,824
Amounts received from subsidiary undertaking – Gift Aid	380,508	-	380,508	431,282
	<u>387,120</u>	<u>-</u>	<u>387,120</u>	<u>451,106</u>

# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

### 9. Expenditure on charitable activities

Group	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Substance misuse	3,090,321	-	3,090,321	2,954,468
Homelessness	3,012,073	144,590	3,156,663	2,781,345
Mental health	1,595,762	-	1,595,762	1,412,632
Housing support	1,817,836	-	1,817,836	1,556,448
Learning disability	15,079,238	10,000	15,089,238	12,867,837
Criminal justice	3,554,476	-	3,554,476	2,902,750
Housing management	122,987	-	122,987	80,462
Support costs (note 10)	3,001,572	-	3,001,572	2,703,784
	<u>31,274,265</u>	<u>154,590</u>	<u>31,428,855</u>	<u>27,259,726</u>

Company	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Substance misuse	3,090,321	-	3,090,321	2,954,468
Homelessness	3,012,073	144,590	3,156,663	2,781,345
Mental health	1,595,762	-	1,595,762	1,412,632
Housing support	1,817,836	-	1,817,836	1,556,448
Learning disability	15,079,238	10,000	15,089,238	12,867,837
Criminal justice	3,554,476	-	3,554,476	2,902,750
Housing management	122,987	-	122,987	80,462
Support costs (note 10)	3,382,080	-	3,382,080	3,135,066
	<u>31,654,773</u>	<u>154,590</u>	<u>31,809,363</u>	<u>27,691,008</u>

# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

### 10. Support costs

Group	Substance misuse £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £
Salaries	222,256	227,029	114,767	130,738	1,085,218	255,638
Operating costs	87,993	89,881	45,438	51,761	429,647	101,210
Property running costs	6,214	6,348	3,209	3,655	30,343	7,148
Maintenance costs	6,247	6,381	3,226	3,675	30,505	7,186
Governance costs (note 11)	3,590	3,666	1,853	2,111	17,525	4,128
	<u>326,300</u>	<u>333,305</u>	<u>168,493</u>	<u>191,940</u>	<u>1,593,238</u>	<u>375,310</u>

Company	Substance misuse £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £
Salaries	214,260	218,860	110,639	126,035	1,046,176	246,441
Operating costs	130,370	133,168	67,319	76,688	636,560	149,950
Property running costs	6,214	6,348	3,209	3,655	30,343	7,148
Maintenance costs	6,247	6,381	3,226	3,675	30,505	7,186
Management fee to TPSS	7,066	7,218	3,649	4,157	34,502	8,127
Governance costs (note 11)	3,508	3,583	1,811	2,063	17,126	4,035
	<u>367,665</u>	<u>375,558</u>	<u>189,853</u>	<u>216,273</u>	<u>1,795,212</u>	<u>422,887</u>

# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

### 11. Governance costs

Group	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Audit fees	30,800	-	30,800	28,970
Board running costs	2,216	-	2,216	1,712
	<u>33,016</u>	<u>-</u>	<u>33,016</u>	<u>30,682</u>
<b>Company</b>				
Audit fees	30,050	-	30,050	28,220
Board running costs	2,216	-	2,216	1,712
	<u>32,266</u>	<u>-</u>	<u>32,266</u>	<u>29,932</u>

### 12. Employees

Group	2017 £	2016 £
Staff costs consist of:		
Wages and salaries	22,283,092	20,297,640
Social security costs	1,538,390	1,383,470
Death in service insurance	109,906	86,718
Pension costs	579,660	545,955
Past service pension deficit – change in assumptions	464,000	(4,000)
Past service pension deficit – increase in recovery plan contributions	1,525,000	-
	<u>26,500,048</u>	<u>22,309,783</u>
<b>Company</b>		
Staff costs consist of:		
Wages and salaries	22,209,539	20,224,087
Social security costs	1,538,390	1,383,470
Death in service insurance	109,906	86,718
Pension costs	579,660	545,955
Past service pension deficit – change in assumptions	464,000	(4,000)
Past service pension deficit – increase in recovery plan contributions	1,525,000	-
	<u>26,426,495</u>	<u>22,236,230</u>

## TURNING POINT SCOTLAND

### Notes to the Consolidated Financial Statements For the year ended 31 March 2017

#### 12. Employees (cont'd)

##### Group and company

The pension costs of £579,660 (2016: £545,955) relate to defined contribution schemes. The defined benefit scheme was closed to future accrual with effect from 31 March 2012. The group and charity has paid deficit contributions totalling £404,000 (2016: £359,000) to the defined benefit scheme during the year. These payments have been netted off against the defined benefit pension scheme – past deficit contributions liability (note 26).

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

	2017 No	2016 No
Salaried	1,031	1,013
Sessional	273	265
	<u>1,304</u>	<u>1,278</u>

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

	2017 No.	2016 No.
£60,000 - £70,000	3	1
£80,000 - £90,000	-	1
	<u>-</u>	<u>1</u>

The total cost of pension contributions to the defined contribution scheme in the year for staff paid more than £60,000 was £11,170 (2016: £5,393 – 2 individuals).

Key management personnel consist of the Chief Executive, Director of Finance & Resources, Director of Operations and Director of Business Development & Improvement.

	2017 £	2016 £
Key management personnel emoluments	248,515	271,248
Key management personnel pension contributions	13,475	18,703
	<u>261,990</u>	<u>289,951</u>

#### 13. Trustees

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



# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

14. Net (expenditure)/income	2017 £	2016 £
<b>Group</b>		
Net (expenditure)/income for the year is stated after charging/(crediting):-		
Auditor's remuneration:		
- For audit services	30,800	28,970
- For taxation services	1,800	1,450
- For accountancy services	-	2,500
Depreciation of fixed assets	104,366	174,286
(Gain) on sale of fixed assets	-	(7,500)
Operating lease rentals - buildings	558,669	559,523
- other	168,272	161,783
	<u>168,272</u>	<u>161,783</u>
<b>Company</b>	<b>2017 £</b>	<b>2016 £</b>
Net (expenditure)/income for the year are stated after charging:-		
Auditor's remuneration:		
- For audit services	30,050	28,220
- For taxation services	1,800	1,450
- For accountancy services	-	2,500
Depreciation of fixed assets	104,366	174,286
(Gain) on sale of fixed assets	-	(7,500)
Operating lease rentals - buildings	558,669	559,523
- other	168,272	161,783
	<u>168,272</u>	<u>161,783</u>

## 15. Taxation

As a registered charity, the company is exempt from tax. As the subsidiary company covenants its profits to the charity, there is no charge to taxation on a group basis.

16. Tangible assets	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Group and company</b>					
<b>Cost or valuation:</b>					
At 1 April 2016	5,205,904	94,098	56,442	127,113	5,483,557
Additions	12,386	-	-	-	12,386
At 31 March 2017	<u>5,218,290</u>	<u>94,098</u>	<u>56,442</u>	<u>127,113</u>	<u>5,495,943</u>
<b>Depreciation:</b>					
At 1 April 2016	-	94,098	56,442	127,113	277,653
Provided for in the year	104,366	-	-	-	104,366
At 31 March 2017	<u>104,366</u>	<u>94,098</u>	<u>56,442</u>	<u>127,113</u>	<u>382,019</u>
<b>Net book value:</b>					
At 31 March 2017	<u>5,113,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,113,924</u>
At 31 March 2016	<u>5,205,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,205,904</u>

## TURNING POINT SCOTLAND

### Notes to the Consolidated Financial Statements For the year ended 31 March 2017

#### 16. Tangible assets (cont'd)

The properties were revalued in May 2016 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 would have been stated as follows:

	2017 £	2016 £
Cost	6,135,325	6,122,939
Accumulated depreciation	(1,335,730)	(1,212,792)
Net book value	<u>4,799,595</u>	<u>4,910,147</u>

#### 17. Fixed asset investments

##### Cost and net book value

At 1 April 2016 and 31 March 2017

Group £	Company £
-	1

Investments comprise a holding of 100% of the issued ordinary share capital of Turning Point Scotland Services Limited, a company registered in Scotland.

Turning Point Scotland Services Limited was incorporated on 18 March 2003 with registered number SC245852. Turning Point Scotland Services Limited's registered office is 7 West George Street, Glasgow, G2 1BA.

During its latest financial year, Turning Point Scotland Services Limited had turnover of £25,731,324 (2016: £24,558,545), expenditure (including gift aid payments of £25,731,324 (2016: £24,558,545) and made a profit after tax of £nil (2016: £nil). At the end of the year, Turning Point Scotland Services Limited had assets of £3,884,505 (2016: £5,009,407), liabilities of £3,866,649 (2016: £4,991,551) and capital and reserves of £17,856 (2016: £17,856).

#### 18. Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	4,317,346	4,484,852	555,264	361,073
Amounts due from group undertakings	-	-	3,188,578	4,416,485
Other debtors	89,524	129,300	89,524	129,300
Prepayments	143,604	180,556	143,604	180,556
	<u>4,550,474</u>	<u>4,794,708</u>	<u>3,976,970</u>	<u>5,087,414</u>

## TURNING POINT SCOTLAND

### Notes to the Consolidated Financial Statements For the year ended 31 March 2017

19. Creditors: amounts falling due within one year	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	132,964	208,018	132,964	208,018
Taxation and social security	1,036,198	839,088	401,646	359,069
Pensions	143,866	130,140	143,866	130,140
Other creditors	320,400	339,614	320,400	339,614
Accruals	713,977	379,493	713,977	379,493
Deferred income	423,849	193,507	380,330	98,460
Defined benefit pension scheme - past deficit contribution (note 26)	402,000	401,000	402,000	401,000
	<u>3,173,254</u>	<u>2,490,860</u>	<u>2,495,183</u>	<u>1,915,794</u>

The company's bankers hold securities in the form of a bond and floating charge, a letter of set-off and a first standard security over the company's properties at Mansewood Road, Govan Road, Phoenix Grove, Glenfield Avenue, Turnhill Drive and Station Wynd. Communities Scotland have a standard security over the property at Mansewood Road.

Movements in deferred income are analysed as follows:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
At 1 April	193,507	22,586	98,460	4,833
Deferred during the year	423,849	193,507	380,330	98,460
Less: released in year	(193,507)	(22,586)	(98,460)	(4,833)
At 31 March	<u>423,849</u>	<u>193,507</u>	<u>380,330</u>	<u>98,460</u>

### 20. Creditors: amounts falling due after more than one year

Group and Company	2017 £	2016 £
Defined benefit pension scheme – past deficit contributions (note 26)	<u>5,490,000</u>	<u>3,823,000</u>

### 21. Financial instruments

Group	2017 £	2016 £
Cash and cash equivalents	3,477,795	3,337,106
Financial assets measured at amortised cost	<u>4,406,870</u>	<u>4,614,152</u>
	<u>7,884,665</u>	<u>7,951,258</u>
Financial liabilities measured at amortised cost	<u>(7,203,207)</u>	<u>(5,281,265)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, pensions, other creditors, accruals and the past deficit contributions.

# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

### 21. Financial instruments (continued)

	2017 £	2016 £
<b>Company</b>		
Cash and cash equivalents	3,355,372	2,451,478
Financial assets measured at amortised cost	3,833,366	4,906,858
	<u>7,188,738</u>	<u>7,358,336</u>
Financial liabilities measured at amortised cost	<u>(7,203,207)</u>	<u>(5,281,265)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts due from group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, pensions, other creditors, accruals and the past deficit contributions.

### 22. Reserves

Reserves	At 1 April 2016	Transfer to unrestricted funds	Retained for year	At 31 March 2017
Group	£	£	£	£
Restricted development reserves	108,082	-	(8,043)	100,039

## TURNING POINT SCOTLAND

### Notes to the Consolidated Financial Statements For the year ended 31 March 2017

#### 22. Reserves (cont'd)

Company	At 1 April 2016 £	Transfer to unrestricted funds £	Retained for year £		At 31 March 2017 £
Restricted development reserves	108,082	-	(8,043)		100,039
Unrestricted funds	At 1 April 2016 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2017 £
General development reserve	4,034,084	-	(1,621,608)	(651,684)	1,760,792
<i>Designated reserves</i>					
Maintenance	228,321	-	56,686	-	285,007
Fundraising	74,604	-	1,314	-	75,918
Human resources	297,055	-	-	-	297,055
Capital	493,038	-	-	(1,344)	491,694
Service development	1,475,062	-	(973,268)	634,457	1,136,251
Revaluations	295,757	-	-	18,571	314,328
	6,897,921	-	(2,536,876)	-	4,361,045

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.

Fundraising 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 2017

#### 23. Allocation of net assets between funds

	Unrestricted £	Restricted £	2017 Total £
<b>Group</b>			
Fixed assets	5,113,924	-	5,113,924
Net current assets	4,754,976	100,039	4,855,015
Creditors: amounts falling due after more than one year	(5,490,000)	-	(5,490,000)
	<u>4,378,900</u>	<u>100,039</u>	<u>4,478,939</u>
<b>Company</b>			
Fixed assets	5,113,925	-	5,113,925
Net current assets	4,737,120	100,039	4,837,159
Creditors: amounts falling due after more than one year	(5,490,000)	-	(5,490,000)
	<u>4,361,045</u>	<u>100,039</u>	<u>4,461,084</u>

#### 24. Operating leases

##### Group and Company

At 31 March 2017 the group and company had commitments under non-cancellable operating leases as set out below:

	2017		2016	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Operating leases which expire:				
Not later than one year	609,542	186,058	608,169	168,272
Later than one year and not later than five years	223,300	-	220,000	-
Later than five years	669,900	-	715,001	-
	<u>1,502,742</u>	<u>186,058</u>	<u>1,543,170</u>	<u>168,272</u>

#### 25. 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.

## TURNING POINT SCOTLAND

### Notes to the Consolidated Financial Statements For the year ended 31 March 2017

#### 26. Pensions

Turning Point Scotland participates in the Turning Point Pension Scheme, a defined benefit scheme covering more than one employer. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers on a consistent and reasonable basis and the scheme is accounted for as a defined contribution plan.

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	3.15%
Rate of increase to pensions in payment	0.0 – 3.0%
Rate used to discount scheme liabilities	3.0 – 4.0%

The assets and liabilities of the scheme as valued at the last triennial review at 31 March 2016 were:

	£'000
Assets	79,900
Liabilities	(112,900)
Deficit	(33,000)

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.

Following the 31 March 2016 triennial review, the recovery plan was updated. Under the recovery plan, Turning Point Scotland is required to make annual payments of £404,000 from 1 April 2016 to 31 March 2019. Annual contributions will then increase in line with Retail Price Inflation until 31 March 2031.

During the year ended 31 March 2017, payments of £404,000 (2016: £359,000) have been made towards the deficit in accordance with the recovery plan. The estimated remaining liability of £6,772,000 has been discounted to the net present value of the future cash flows using a market rate of interest for a similar debt instrument in accordance with FRS102. The total net present value of the future cash flows is £5,892,000. Of this, £402,000 is due within the next financial year (note 19) and £5,490,000 is due in the period 2018 to 2031 (note 20).

	2017 £	2016 £
<b>Past service deficit repayment liability</b>		
Provisions at 1 April	4,224,000	4,503,000
Unwinding of the discount factor (interest charge)	83,000	84,000
Deficit contributions paid	(404,000)	(359,000)
Remeasurements – impact of any change in assumptions	464,000	(4,000)
Remeasurements – increase in recovery plan contributions	1,525,000	-
Provision at 31 March	<u>5,892,000</u>	<u>4,224,000</u>

# TURNING POINT SCOTLAND

## Notes to the Consolidated Financial Statements For the year ended 31 March 2017

### 26. Pensions (cont'd)

Liability split as:-	2017 £	2016 £
Due within one year	402,000	401,000
Due within one to two years	399,000	397,000
Due within two to five years	1,238,000	1,143,000
Due in more than five years	3,853,000	2,283,000
	<u>5,892,000</u>	<u>4,224,000</u>

### 27. Capital commitments

There were no capital commitments at 31 March 2017 or 31 March 2016.

### 28. Reconciliation of net (expenditure)/income provided by/(used in) operating activities

Group	2017 £	2016 £
Net (expenditure)/income	(2,544,919)	566,443
Bank interest received	(6,612)	(19,824)
Depreciation of tangible fixed assets	104,366	174,286
Decrease/(increase) in debtors	244,234	(899,367)
Increase in creditors	2,349,394	72,173
Gain on fixed asset disposal	-	(7,500)
Loss on revaluation of fixed assets	-	91,940
Net cash provided by/(used in) operating activities	<u>146,463</u>	<u>(21,849)</u>

Company	2017 £	2016 £
Net (expenditure)/income	(2,544,919)	566,443
Bank interest received	(6,612)	(19,824)
Depreciation of tangible fixed assets	104,366	174,286
Decrease/(increase) in debtors	1,110,444	(1,534,315)
Increase/(decrease) in creditors	2,246,389	(34,460)
Gain on fixed asset disposal	-	(7,500)
Loss on revaluation of fixed assets	-	91,940
Net cash provided by/(used in) operating activities	<u>909,668</u>	<u>(763,430)</u>



## TURNING POINT SCOTLAND

### Notes to the Consolidated Financial Statements For the year ended 31 March 2017

#### 29. Related party transactions

The trustees receive no remuneration for fulfilling their role as trustees. Total expenses of £2,026 (2016: £1,712) were reimbursed to 1 trustee (2016: 1 trustee) 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 £25,666,324 (2016: £24,493,545) to its subsidiary in respect of these contracts. In addition £73,553 (2016: £73,553) in payroll costs were recharged to the subsidiary for management services provided and Turning Point Scotland Services Limited invoiced Turning Point Scotland £65,000 (2016: £65,000) as a management fee and covenanted £380,508 (2016: £431,282) to Turning Point Scotland.

The amount due from Turning Point Scotland Services Limited at 31 March 2017 is £3,188,578 (2016: £4,416,485). The amounts outstanding are unsecured for cash settlement in accordance with usual terms.