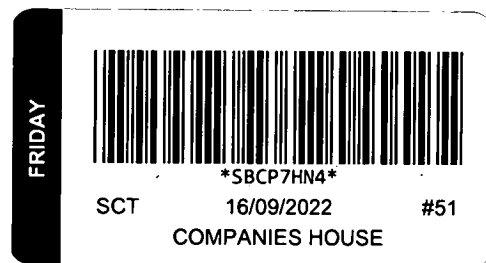


TURNING POINT SCOTLAND

Report and Consolidated Financial Statements

For the year ended 31 March 2022



Charity No: SC028827
Company No: SC194639

TURNING POINT SCOTLAND

Report and Consolidated Financial Statements For the year ended 31 March 2022

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TURNING POINT SCOTLAND

Company Information

Directors and Trustees

Paul McAuslan	Chair
Stephen Plummer	Vice Chair
Alison Bunce	
Graeme Cook	
Lorna Gibbs	
Patricia Cassidy	Appointed 07/09/2021
Peter Gabbitas	Appointed 07/09/2021
Marc Mazzucco	Appointed 07/09/2021
Louise Smith	Appointed 07/09/2021
Gary Brewer	Appointed 01/02/2022
Jennifer Thomson	Appointed 01/02/2022
Dorothy McElroy	Retired 07/09/2021
Robert Macintosh	Retired 07/09/2021

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TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report) for the year ended 31st March 2022

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the charity's trust deed.

Objectives and Activities of the Charity

Turning Point Scotland is a large Scottish Social Care provider operating independently since 1st April 1999. Our principal reason for existence is: to provide or assist in the provision of relief to those in need by reason of age, ill-health, disability, financial hardship or other disadvantage, in particular (but without limitation) through the provision of accommodation and the provision of care; and to carry on activities which benefit the community through the advancement of citizenship and community development in particular (but without limitation) in response to disadvantages caused by homelessness, drug and/or alcohol use and involvement in the criminal justice system (Memorandum and Articles of Association).

Unusually, for a Social Care provider, Turning Point Scotland has a diverse range of activities rather than a focus on a narrow range of support. What unites this spread of activities is the fact they all focus on some of the most disadvantaged and vulnerable people in Scottish communities. This diversity emerged as a significant organisational strength throughout the Covid period and enabled TPS to sustain the basis of our reputation for innovation, service quality, reliability and progressive delivery practice. It also underpinned our relentless focus on the people we support.

Few could have predicted the extent and duration of the Pandemic which in many ways has dominated day to day life over the last two years and more. In compiling last year's Trustee Report, we acknowledged the highly effective crisis response demonstrated by the organisation and highlighted the changes that had been implemented on the back of significant corporate learning. We did at that point anticipate an easing of pandemic impacts which, as we now know, failed to materialise. Despite major upheaval and unpredictable turbulence in our operating environment, the commitment of staff colleagues to sustain service provision and ensure the people we support were insulated from the worst aspects of the period is testament to an outstanding staff team and their collective ability to stay true to the Turning Point Scotland mission.

The primary service areas for TPS remain consistent and currently include supporting people with drug, alcohol or mental health problems, and people involved in the criminal justice system as well as those who are homeless. One of the foundation planks of TPS has been working alongside people with learning disabilities as well as autism, early onset dementia and acquired brain injury. Whilst the service areas have remained fairly constant, the methods for the delivery of support have, by necessity, been adapted to fit an ever changing series of Government guidance and regulation. Not all areas were impacted equally, direct support services, outreach services, supported tenancies and community drug services were highly variable with some statutory provision all but ceasing and in turn, placing further demands on existing services. Some partnership and consortium arrangements, respite services, day activity as well as education and employment opportunities all but stopped with contact only happening in a virtual manner. The most regulated area relevant to our services were those operating as registered Care Homes due primarily to the specific infection vulnerabilities associated with such settings. These were able to continue but with significant control measures in place adding extra burdens to the staff routines.

It is a matter of considerable pride that Turning Point Scotland did not falter in any of our services and although some had a reduced experience by necessity, the high standards for which we are known prevailed throughout. Keeping services functioning and effective has been no small challenge and is of greater significance by contrasting the sector wide experience where 58% and 50% of services were temporarily or permanently closed during the 2020 and 2021 lockdown periods.

TPS is a 'not for profit' Third Sector organisation and a registered charity limited by guarantee. Primary funding sources include Local Authorities, the NHS, Scottish Government and private individuals through self-directed support. The commissioning and procurement arrangements through which the vast bulk of TPS funding originates has been a long running national concern and was a key subject of the Independent Review of Social Care in Scotland. Whilst the recommendations and wide spread consensus of the need for radical reform has been welcome, the Pandemic has slowed progress and brought into sharper focus the unsustainability of current arrangements. A common and growing feature of tenders is unrealistic service expectations which also fail to facilitate or even acknowledge ever growing delivery costs and obligations in line with 'fairwork' conditions and other inflationary pressures.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

The Independent Review of Social care provided a useful overview of many of the challenges across the sector. Beyond funding, several systemic and structural deficits have undeniably resulted in a gradual but definite staffing exodus with all providers finding it increasingly problematic to fill vacancies to sustain existing commitments.

Scottish Government have given a commitment to introduce a new National Care Service by the end of this Parliament. TPS has been an active and constructive voice both in the Independent Review activities and associated Public Consultations. We will continue to do so individually and as part of the 'Coalition of Care and support Providers in Scotland' (CCPS) to help shape positive decisions for the future of social care.

It is hard to imagine a more substantial test of our resolve and fundamental reason for being than the events of the last 24 months. That we have not only survived but flourished, evolved and strengthened our relationships is due in no small measure to the excellence of our staff teams and a shared values based philosophy. The deep-rooted appreciation and support for our raison d'être as well as the people we support is, in itself, a powerful validation of what we represent and the difference we can make as the long established ways of working give way to a new normality under the purview of a newly commissioned National Care Service.

Strategic Report

Achievements and performance

To form a realistic view of progress and performance for TPS over the reporting period, consideration must be given to the truly exceptional events of the time. Management Information arrangements, established from the outset and maintained throughout, have enabled a clear picture of pressure points on a day to day basis. On a frequent basis, we observed empowered staff teams going above and beyond in order to sustain service delivery and we have repeatedly acknowledged the importance of that commitment in our ability to sustain services.

The associated growing impact of a sector wide staff crisis meant that vacancies across all services grew and became more challenging to fill. This combined with significantly increased staff absence linked to Covid and weary teams, presented a uniquely challenging environment for staff. Covid related absence was markedly more significant than the previous year with spikes around September and the entire winter period. To put these pressures in context, over the months of January to April this year, we experienced on average 33 confirmed Covid cases per week which contrasts with only 5 for the same period the previous year.

Like every other Social Care provider, we were not immune to the recruitment crisis with many reports demonstrating an exodus of workers from the sector. This appeared to be particularly acute for posts at the lower end of the pay scale where even minor differences seemed to generate churn. In real terms, TPS experienced a 30% turnover rate for the year compared to 19% the previous year. That said, these churn rates applied to a specific demographic and we were successful in having no movement at all in key or senior positions.

Despite these pressures, TPS was able to honor all of our support commitments and did not default or hand any services back at any point in the reporting year. This reality stands in contrast to a finding from the CCPS Business Resilience Survey which showed that across the sector, 50% of services were closed either temporarily or permanently. The survey also showed a diminishing confidence in sustainability with 42% of respondents reporting concerns over 75% of their services as margins have been eroded to precarious levels. Whilst the survey showed a small increase in the number of providers reporting overall growth, it also highlighted the concern that much of this growth relates to one-off or grant based support and as such disguise the true sustainability picture of fragility for Social Care more broadly.

Through a range of factors including sound, prudent financial management, effective leadership and properly considered risk-based decisions, TPS has not followed the national trends. Overall, we returned a modest growth of 4.36% in income. During a prolonged period of crisis such as we have experienced, it may have been understandable if our focus or policy imperatives had been neglected. This has not, however, been the case with reductions achieved on the pension deficit and above target levels achieved on the reserve figures.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Perhaps the most illuminating indicator of performance more generally, relates to our ongoing efforts to reduce the number of Unresolved Deficit Budgets in relation to individual services. This work involves an effective blend of central support and guidance but in the context of a devolved framework for decision making. Through effective financial management the deficit budget total dropped from 11 to 8 services. Given the priority afforded to the larger deficits, this change represents a 38% reduction in the deficit position with clear plans in place to further reduce this position over the course of next year.

Despite the recommendation contained within the Review of Social Care in Scotland to sist all commissioning and procurement, this did not happen. It did, however, largely due to the concurrent issues of the Pandemic, slow down dramatically from normal standards. In line with a well-established approach to tendering considerations, where emphasis is given to targeted and mission related opportunities where TPS believe our service standard can be achieved within a sustainable funding envelope, we submitted 12 submissions. These reflected our diversity of provision including Homelessness, Learning Disabilities, Alcohol & Other Drugs and Justice, we were successful with 9.

This range of positive business related indicators present a picture of an organisation that has not only managed the crisis with diligence and positivity, but has also not allowed itself to become distracted. Whilst sensitive to the pressures, demands and additional obligations, TPS has continued to move forward and has remained true to its own strategic imperatives and internal values in so doing. Out-turning positive growth and progress against a backdrop of the challenges we have faced and against the national trends for social care organisations is a remarkable achievement by any standard.

Strategy

The enduring nature of the Pandemic and the resultant disruption to work practices in every area of Scottish life continued to frustrate plans to develop our new strategy this year. Following the excellent progress against the 2018-2021 strategy, we reported last year our intention to develop an 18-month transition strategy. This was to enable progress to continue whilst allowing things in the broader environment to stabilise a little before embarking on longer term planning. This bridging approach contained ten Workstreams grouped under three Strategic themes, namely: people, organisational development and the external environment.

Whilst this approach was a useful means to retain focus on priority issues and encourage progress, the broader workforce demands and pressures on staff, necessarily limited progress. Additional demands generated by the Pandemic response, Covid absence and general fatigue conspired with a gradual but significant growth in sector wide vacancies resulting in reduced capacity for anything other than core service delivery.

Despite these pressures, good progress was achieved across all workstreams but in order to recognise resilience and enable the most productive consultation on the new strategy, a further extension to the transition arrangements was agreed. This extends the strategic timeframe to March 2023 and will allow further progress to be made and embed benefits into business as usual activity.

In developing a new strategy, it is clear that the Pandemic has left in its wake some fundamental changes to our operating environment which we must take careful consideration of as we move forward. Some aspects of recovery, whilst significant, are to some extent beyond our control. Such factors as the consequential impact that Covid has placed on public funds, the Government commitment to introduce a new National Care Service and the pressures on the whole Health and Social Care Sector as it attempts to address current demand and significant backlogs alongside deferred needs concurrently.

In contrast to the many unknowns, there are also aspects that can be influenced through deliberate action and choice and the initial consultative activities will be aimed at drawing all staff colleagues into that discussion. Beyond the acknowledged benefits from a fully inclusive and open consultative process akin to the one used to generate the previous strategy, there are specific benefits from this type of discussion now. Everybody experienced the demands of the last two years in slightly different ways and already many changes have been initiated to work practices and structural arrangements as a consequence. The early 'Insights' work generated a rich fault line of experience, ideas and observations leading to longer term changes across Turning Point Scotland. These included some specific local work practices but also much more fundamental arrangements including truly flexible working arrangements and hybrid working. Taking time at this crucial stage to talk and listen to staff as we all navigate the post Covid realities is an outstanding opportunity to recalibrate and galvanize the organisation around a shared set of ambitions and values.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Governance

TPS remains fully committed to embedding effective Governance into every aspect of the organisation – from the Board of Trustees, to the Executive Team and Heads of Service to all staff, the Governance Team has continued work to ensure that TPS' systems and processes continue to be safe, effective and person centred for our staff and the people we support.

Our Board was delighted to recruit 6 new Trustees with a strong mix of skills, knowledge and experience. The Governance Team devised a thorough induction and training programme for all Trustees to ensure that they were prepared and up to date with relevant regulations and legislation. Given that there is increased responsibility and expanding regulatory demands on Trustees, we wanted to ensure they received robust formal internal and external training and proper introduction to the Governance documentation that is in place for Board members. We also wanted to ensure that the Trustees, especially the newly recruited members, felt they had sufficient training and support to really understand the organisation which would allow them to discharge their responsibilities effectively.

To further enhance the support from the Governance Team for the Board of Trustees, they received a full introduction to all of the Governance roles in the organisation, including clinical and care governance being integrated into the work programme for the Audit Committee allowing the Trustees to be informed fully on the organisation's Infection Prevention and Control audits and reporting.

Good Governance remains key to ensuring that our services are implemented effectively. Therefore, Governance is an integral part of the implementation process from inception of any possible new service the organisation undertakes all the way through to a service becoming operational. By being part of this process, we can then help ensure that our services continue to meet regulators' expectations.

Following the development of our bespoke Governance Framework and the accompanying practical Toolkit, we have facilitated a programme of awareness sessions across the organisation. These sessions are individually tailored to allow the management teams at each service to understand and effectively utilise the Framework and the Toolkit, focusing on a specific topic or issue as requested by the service. The Governance Team has continuously worked to adapt these sessions to allow each service team to get the most out of them. We also strive to give individual staff members the platform to discuss what Governance means to them on a day to day basis whilst at work and how this can improve the quality of the services TPS provides. We continue to evaluate these sessions by requesting feedback from all attendees. To date we have received feedback from the attendees of 8 sessions. From those responses, it is clear that while approximately half of the attendees felt that, before the session, their knowledge of governance was limited, after the session 100% of attendees believed they had a good level of knowledge of governance in practice for them as individuals and as part of a service team.

The Clinical and Care Governance Forum, an internal group within TPS, is now operating with refreshed membership and greater ownership across the diverse range of services we provide. The work of the forum is shared across other existing forums and will work jointly with other forums to prevent duplication of work and ensure continued delivery of best practice. The forum has been involved in developing new policies and procedures as well as reviewing existing ones.

The Financial Governance Committee is operational and meets monthly to ensure accountability, transparency and budgetary competence continues to be high on all staff's agenda and is rooted into the entire organisation's way of operating day to day. Regularly meeting allows the Committee to discuss vital financial governance matters and track progress of any actions required e.g. relating to service integration or implementation, any related banking or process changes that should be taken into account and monitored. To ensure that the Financial Governance Committee is aware of any possible insurance claims or payments that may come up, this item is a standing agenda item for every meeting. This allows the Committee to continue to provide robust processes across the organisation, taking into account any learning or advice from the insurer. Our approach to assisting the insurer with information and evidence when dealing with any claims has become more focused, allowing the Committee to feel more involved in decision making about the claims and any payments that may have to be made and, indeed, exactly why this is the case. The Committee also monitors pertinent strategy workstreams to ensure that where Financial Governance can help inform or shape strategy, it does that.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

It is vitally important from a Financial Governance point of view to ensure transparency in how we deal with any donations we receive and whether or not these monies are reserved for a specific purpose or service. To that end, financial donations are also a standing agenda item for these meetings to allow the Committee to regularly discuss any donations, where they have come from and what they will be utilised for.

As not all of the donations TPS receive are cash, the Committee felt it was necessary to develop a policy to guide staff in the necessary processes needed to monitor and have oversight of goods donated via Amazon or Facebook wishlists or requests. This new Fundraising policy was developed by the Financial Governance Committee to allow the Director of Finance to be able to report to the Chief Executive on these matters who, in turn, reports directly to the Trustees. Our staff also have the opportunity to donate to TPS via Payroll Giving and this process is covered in the new Fundraising policy in addition.

Good Governance can only be maintained if we continually undertake reviews of our policies and procedures. We have worked hard to ensure that all organisational policies are relevant and current with renewals and version control being streamlined. We have also developed an alert system for service contracts to ensure the management of these according to each individual timeframe.

Finance

The ongoing global pandemic has meant the company has continued with its approach of being prudent and looking at our core service delivery to ensure services were maintained. Controls were put in place to monitor additional spend brought about by the pandemic and sustainability funding sought where possible to meet this spend. A flexible approach was used as services adapted to meet the changing needs operationally and within budget headings.

The Company continues to be in a strong financial position and internal investment opportunities have been identified to move the company forward and these will be progressed in the next financial year.

There are areas of concern as we move into the new financial year. The staffing crisis in Social Care is leading to escalating recruitment and agency costs and with the escalating inflation and utility costs some of the larger residential services will be put under increased financial strain.

HR

Following the awarding of IIP Platinum status to Turning Point Scotland by Investors In People, it was only appropriate that the launch of the interim Turning Point Scotland Transition Strategy, continued to build on the firm foundations of the award and ensure that we communicated to our colleagues, our continuing commitment to them through our ambitious set of development actions which have been enthusiastically progressed to improve the wellbeing, aspirations and potential for our staff reflecting our aim that Turning Point Scotland will be an organisation that creates and promotes an environment which allows all employees to flourish and achieve their full potential for the benefit of the people we support, themselves, and the organisation.

Highlighting inequality and workforce development issues at a national level we recognise the positive impact that equality and diversity brings to our community and we have taken steps to continue to promote it as part of our commitment to the citizenship philosophy and shape the national conversation through our partners in Coalition of Care Providers Scotland.

Exceptional and unprecedented challenges in terms of Recruitment and Retention have impacted on not just the sector, but the economy as a whole. Turning Point Scotland has not been immune to the effects of the challenges, but a significant piece of work has been undertaken to complete a full scale review of what works, what doesn't and what can we change now to meet the need of ensuring that we have the right people in the right place at the right time across our organisation.

As a leading provider of Social Care Services in Scotland, we take our advocacy role as an employer and a partner in the Not for Profit Sector seriously and have used our links to continue to improve not only the pay terms and conditions of colleagues in the sector, but also to ensure that the Health, Wellbeing and Welfare of our people is recognised and rooted in that approach.

Key to our approach is our continuing development and progression opportunities for our staff sitting alongside our creative and bespoke Health, Wellbeing and Welfare resources which promote that the work we do is not just a job but a career driven by values and harnessed through our unique Wellbeing Hub, our Values Based Appraisal and 'Step In – Step On – Step Up' Career Development pathways.

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Trustees' Report (incorporating the Strategic Report)

Our Roles continue to evolve over time and in line with new external requirements to meet the changing landscape of Social Care. This not only provides opportunities to develop the skills and capabilities of all our people which are needed to be successful, they also prepare our people to progress in their careers with a focus on service users and innovation. We have worked to capture the myriad of opportunities available for all to be harnesses as a recruitment tool to attract, retain and inspire individuals to choose Turning Point Scotland. We want to be seen as a good employer externally and retain our colleagues internally by demonstrating our investment in them.

ICT

One of the most significant enablers for sustainable activity throughout the Pandemic was digital capability. Previous forward thinking and effective delivery against strategic digital ambitions equipped TPS very well to adjust rapidly to new ways of working.

The learning that emerged from this experience formed the basis of digital and ICT priorities over the last 12 months. Staff engagement has also allowed us to embed and encourage greater use of the Microsoft 365 suite of tools which has also amplified our use of digital tools across the organisation.

The single most significant element of Microsoft 365 for TPS has been the introduction of Teams. This has now become the standard vehicle for digital communication and staff have developed well to its introduction. The ongoing nature of ICT progress demands a relentless focus on such areas as security and resilience. To this end we have introduced single sign on as one of the main highlights of the year. Not only does this assist with security but it also addresses a long-standing request from staff as the process makes life simpler and quicker for the end user. A series of upgrades have also taken place, most notably with fibre broadband to enhance the digital experience at service level.

A major roll out of new mobile phones has been completed providing staff with better communication as well as greater data packages to access new apps and capabilities. This has also been supported with the implementation of relevant software to help with system management across the estate. Linked to this work has been service level upgrades of their analogue telephony in advance of the 2025 end date. This move to Voice over Internet Protocol (VoIP) has modernised our estate before the termination date and in addition delivered staff benefits from the enhanced reliability of a broadband based system.

In addition to the vital ongoing development to our infrastructure, time has also been taken to test new digital enhancements. A dedicated app to streamline the expenses processes was developed and piloted which again reduces the burden and time commitment involved in the old paper-based system.

Service Provision

As at 31st March 2022, we provided 47 services. TPS delivers a diverse range of services, meeting people's needs throughout many parts of Scotland and in various settings. Despite the diversity, TPS sustains a values-based approach, synonymous with our reputation which is consistent and demonstrably in line with our operating ethos. This is reflected in our new strategic strapline '**because people matter**'. The transition strategy for 2021-2022 underpins and reinforces our people centred ethos, valuing difference, encouraging individuality, understanding and meeting needs.

The organisation supported 8,095* individuals between 1st April 2021 and 31st March 2022, not including needle exchange and drop-in. This represents an increase of 33.9% more individuals than the previous year (6,044* in 2020/2021). This year there were 549 referrals received, 4,293 assessments and 8,773 programmes of support provided.

** Due to changes in service operations, this figure has been changed from active referrals plus referrals received during the year to individuals who were on a programme of support. The figure for last year has been amended to this new measure to allow comparison.*

We had 1,125 contracted employees and 154 relief workers in post on the 31st of March 2022.

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Trustees' Report (incorporating the Strategic Report)

Staff training and development

Following two years of the global COVID-19 pandemic, the Training and Development Team has worked hard to adapt and change to a new way of working in a blended learning environment across Turning Point Scotland. As restrictions have eased, the Training & Development Team is now working in a hybrid arrangement which includes the delivery of both face-to-face training and virtual learning based via Zoom and Teams. We also continue to run successful e-learning programmes for all staff to access remotely, with more than 30 courses now available in this format.

Internal training development and delivery is a consistent high priority and investment within TPS, alongside the above-noted demand for a return to external training priorities. Our newest Training and Development Officer is now fully settled into their role meaning we were successfully able to restructure our support to the Ayrshire and Dumfries and Galloway areas. Both of these areas have large services with high demand for internal training delivery and each area is now able to run an individual calendar to meet this demand locally. This saves on both service travel time and time away from services during a period of staff shortages due to the pandemic and ongoing sector-wide recruitment challenges.

With all of the team able to return to training delivery and development over the year, we were able to begin to reintroduce training programmes beyond the 'essential' delivery of subjects such as MAPA (Management of Actual and Potential Aggression), Emergency First Aid at Work, Fire Safety and Food Hygiene. Whilst working to strict infection prevention and control guidelines, the reintroduction of face-to-face learning has been popular with services. Alongside this, the demand for virtual learning remains high and in particular with many services still impacted by staff shortages and recruitment challenges across the sector, both calendars have been full and well received. This has at times presented a challenge within the Team's capacity to deliver on both calendars which we will take into consideration in planning going forward.

During the summer period and throughout the remainder of 2021 the Team worked on service-led demand, highlighting core learning such as Adult Support & Protection and the updated courses on Making the Most of and Leading Support and Development. We also delivered a full day training course on Autism, with a condensed Zoom option available for those who were unable to commit to face-to-face training at this stage.

We were also pleased to be able to complete full refresher training for all of our internal trainers in our People Moving People (moving and handling) programme and provide a training for trainer opportunity for 5 staff, including our Training Officer for D&G and Ayrshire. We were also able to support Training for Trainers for 3 staff in the 'Safety Interventions' programme and we have been able to provide all of the Training Officers and internal trainers an opportunity to complete an update and a dedicated training session to support their move to Safety Interventions. Safety Interventions is the sector-leading training programme supporting verbal interventions and a move away from physical restraint techniques and will replace MAPA training over the coming years in TPS. The programme is being rolled out by our existing providers at the Crisis Prevention Institute (CPI) and will allow TPS to align with the formal Restraint Reduction Network standards going forward. The updated programme is trauma informed and is due to be offered to services in the remainder of this calendar.

From January 2022, we were able to launch a fully planned 6-month calendar in consultation with services, our first in over 2 years due to the impact of the pandemic. During the period January – end March 2022, we were successfully able to deliver 80 face-to-face training courses and 62 virtual courses across either Zoom or Teams. We have also been pleased to continue to offer wider learning opportunities both virtually and face-to-face from our local and national partners in NHS training, Scottish Drugs Forum (SDF) and TURAS (NHS online training).

We have also been able to work with one of local delivery partners, who have previously provided training in more in-depth programmes such as Attachment Theory to deliver a training programme for staff in management roles in recognizing and responding to Vicarious Trauma.

One of the main goals of the Training and Development Department is to be responsive to wider learning needs across TPS and to support these across all of the specialist areas we work in. As such over the last year, we have ensured that a Training & Development Officer attends each of the Forum meetings across Homelessness, Justice, Learning Disability and Alcohol and Other Drugs services. The Training Manager also attends the Care Governance Forum to contribute to wider practice development across these areas.

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Trustees' Report (incorporating the Strategic Report)

Through the work with each of these Forums, the team have now completed a Learning Needs Analysis in Homelessness and are working through a competency-based framework to complete this in our Justice services. We are also working closely with the Alcohol & Other Drugs Forum and their Development Officer on their competency-based framework and will use this to support the Learning Needs of this group.

Through work with Forums and wider departments across TPS, we have been able to respond to new and varied training demands. This has included the development and successful pilot of a full course on Boundaries, which will become core learning for all staff across TPS. During the next calendar we will be launching new training programmes for staff in services including a programme of training in domestic abuse awareness, and an updated, more in-depth e-learning programme on equality and diversity which will tie in with the updated HR training and policy on Equalities in TPS. There have been courses created for managers on Time Management and Working Together to Resolve Difference and we are also now offering management training on Mediation, working with the HR dept following the successful completion of the ACAS mediation training for trainers by our Training Officer and HR Business Partner.

The team have also been able to be part of the induction of new services, including the pioneering Overdose Response Teams and the new Housing Support service in Dumfries and Galloway. We have also been able to continue with our online Corporate Inductions which include key departments across TPS such as HR, Governance, Training, the People Matters Forum and TPS Connects. This programme has been well received with more than 130 staff completing this course in 2021-22.

The availability of access to both vocational and educational opportunities at different levels supports our staff to meet their registration requirements with the Scottish Social Services Council (SSSC). With this process now reinstated, some providers have been able to offer virtual observations to staff with others returning to the service environment to allow staff to complete their qualifications. During this financial year one provider we have used for a number of years was unable to fulfill their agreed commitment to TPS staff across 2 geographical areas and their candidates had to either be withdrawn if their registration periods were long enough, or moved to other providers to allow them to begin working on their SVQ Awards. Despite these challenges, of the 103 nominations received during the 2021/22 process, 84 have been successfully funded and supported to begin their SVQ Awards across a range of qualifications in Health & Social Care, Business Administration and Leadership and Management.

Housing First Academy (Training)

Following discussions with the Executive Team, we agreed to continue to offer support from the Training and Development Department to the Housing First Academy for another year. Due to the pandemic, these courses were also moved to an online format and have remained popular, particularly within local authority settings and other voluntary sector providers working across housing and homelessness.

Throughout the year, we have reviewed the demand as well as the wider policy landscape across Scotland and agreed to a split of the Training Development Officer's (TDO) time across both the main Training team and the Housing First Academy. The TDO has continued to lead on this work and alongside her work on developing the Academy itself, supported by dedicated admin support from the team, has also led the Homelessness Forum through a full Learning Needs Analysis. This extensive project has looked at the needs of our housing support, homelessness and Housing First services against the organisation's 'Step in, Step On, Step Up' and Induction/Onboarding Frameworks and developed a comprehensive programme of learning which includes core training for all and scope for services to personalise staff learning relevant to their local and service-specific needs.

People We Support

Two of our services illustrate some of the work we do with people we support:

Turnaround Residential Service

G's referral process began in 2021 after his criminal justice social worker had proposed the idea to him. G was subject to a one-year Community Payback Order (CPO), he had four outstanding charges and a history of offending behaviour that spanned back twenty years. G was assessed as being high-risk of reoffending due to his illicit substance use.

Assessment by Turnarounds throughcare team took place two days after his referral. He worked in partnership with the Throughcare team to develop a person-centred care plan, which he engaged well with. He received preparatory support until a residential placement was available to him.

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On admission to the service G went through a detox period. After this period, his wants and needs were listened to and assessed, robust risk assessments were put in place and his care plan was further developed to identify short, medium- and long-term goals.

G engaged well with all aspects of his support and embraced all elements of the 6-week Turnaround programme. He showed high levels of motivation and was proactive about his recovery. He actively participated in the ECHO group work and regular 1-2-1 sessions; he worked through recovery-based workbooks, attended Naloxone training and participated in all therapeutic activities such as art, music and yoga. Additionally, he attended regular online mutual aid meetings as part of the program, as well as seeking out additional meetings in his free time.

G was motivated to change and showed a good level of genuine emotional and mental investment in his recovery journey. He quickly identified the correlation between his substance use, the cycle of offending behaviour and how this impacted on his relationships and wellbeing. He was engaged with the 12 steps of recovery programme and was offered resources and information to allow him to continue this once he had returned home.

Midway and exit review meetings were successfully completed with all stakeholders in attendance working together with G to maintain his person-centred support. Other than maintaining his recovery and reducing the risk of reoffending, his primary goal was to move to Glasgow. He was supported to complete housing applications and receive budgeting advice.

G created positive relationships with staff members and his peers and improved relationships with some friends and family. He created and maintained a positive self-care routine while in residency. He gained weight, was eating a regular and balanced diet and was supported to utilise foodbanks once he returned home. He was supported to make and attend health care appointments and developed organisational skills. His mental health has improved greatly and he reported feeling as though he had a greater control of his emotions and actions and had more hope for his future. He had ambitions of study and work, and had plans in place to work towards his goals.

G completed his stay and returned to his tenancy in the community. G was highly motivated, more aware of his strengths and limitations and expressed gratitude for the support he received while at Turnaround. He has accepted through care support who will engage and support G's plans to work towards his goals in securing a tenancy in Glasgow and exploring his aspirations of college and eventual employment. G achieved his identified goals for his time in Turnaround residential, has updated his community support plan and has support in place for his return to the community.

Elgin Learning Disability Service

P, 37 years old, is the newest resident to move into Greyfriars Close; he moved into his flat in January 2021. His parents were worried that P would not come out of his flat, or engage with staff or other residents as he has limited verbal communication. P had stayed at home all of his life with his parents, but they worried for the future as they were getting older themselves.

P settled very quickly into the setting and has become a part of the community that is Greyfriars and has a terrific relationship with the staff team, showing care and concern for them, as well as his fellow residents. He is gregarious and outgoing; kind and considerate and enjoys the spirit and company of all who live and work in Greyfriars.

P has developed his independence, and has enhanced his life skills. He has increased his interests and actively takes part in any activities that are going on both within the house and out in the wider community. He also works three days per week at a local recycling centre.

P's parents were apprehensive about the move to Greyfriars Close, they wanted P to have more interaction with his peers and they worried that he would not find the 'right place'. They acknowledge that P "has become very happy and takes part in all the good things that go on at Greyfriars." "He enjoys the variety of activities available to him that we weren't able to provide, it's a massive weight off of our shoulders".

P continues to take all the opportunities that are on offer, developing his own independence and with support creating the best life possible for himself.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Section 172 Statement

Involving People who use Services

TPS Connects is a forum that people who currently, or have previously used TPS services, can join so that they can be more involved in decisions made within the organisation. Our Citizenship approach encourages members to focus on positive aspects of their identity rather than the issues that brought them into services, and motivates people to take up valued roles.

TPS Connects actively encourages people to be involved in decisions by offering opportunities for them to come together to have their voices heard. Members can choose to be involved in a range of activities from planning and organising events to designing and writing leaflets and easy read policies, to participating in consultations and organising peer activities.

During the Covid 19 pandemic, TPS Connects activities were moved online, however, face to face meetings resumed towards the end of 2021. A range of peer support activities are facilitated by a group of trained volunteers who are all people who have previously been supported in TPS services.

The TPS Connects Committee have been meeting since the start of 2022 to plan a conference for people supported in learning disability services. The conference will take place in September 2022.

The need to act fairly as between members of the Charity

As an organisation, we aim to take an inclusive and transparent approach that ensures we do not unfairly discriminate against anyone and all our actions are undertaken through our compassionate culture. Even though Trustees are the sole members of the Charity and the Charity is not run in the interests of the member but of the objects of the Charity the above approach still holds true.

The impact of the Charity's operations on the community and the environment

We recognise our responsibility to care for the environment and aim to minimise our environment impact in all our activities. As an organisation with community based services, we recognise and understand the importance of our services being embedded within our local communities and we seek to ensure that our role as community custodians is undertaken with respect, inclusion and cooperation at its core

Staff Involvement

In TPS formal staff representation arrangements are discharged through two primary mechanisms. The first is a recognition agreement with Unite giving them sole negotiation rights discharged through a quarterly Joint Negotiating Committee (JNC).

The second is an internal Staff Forum group who meet to exchange information, discuss matters of interest and consult with senior managers on behalf of the collective staff team. This forum is called the People Matter Forum.

Based on the principles of the 'Fair Work' the two primary mechanisms have been designed and developed to ensure a greater focus on employee voice across the whole of Turning Point Scotland. This helps to sustain an enhanced level of dialogue with staff colleagues on matters of relevance to them.

Fair and effective voice is a key element of our commitment and accreditation as a 'Fair Work' Employer which guides our stated aim to develop and improve mechanisms for employee voice across the organisation focusing on a sense of community. We work hard to develop positive relationships with the two mechanisms and have created a shared space where matters of mutual interest can be openly discussed, considered and acted upon to ensure that all colleagues have a Voice in our organisation.

Employee Engagement

Turning Point Scotland engages with our colleagues through a dual channel mechanism of a Joint Recognition Agreement with Unite the Union and a Staff Elected Representative Body 'The People Matter Form' which meets quarterly throughout the year. The purpose of which is to have a method of communication, consultation and engagement with everyone right across our organisation and allow for our obligations of genuine consultation, engagement and discussion to be fulfilled.

TURNING POINT SCOTLAND

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We ensure our dual channel mechanism is consulted on pay proposals and then in line with the recognition agreement Unite colleagues receive a consultative ballot on the proposal in terms of either a positive acceptance/ engagement with the proposal or to indicate if further negotiation / consultation is required. The mechanisms work to ensure that not only do all colleagues have the opportunity to have their voice heard but also so that Turning Point Scotland are able to have a genuine two-way flow of information in relation to the ongoing performance of the business, the ability to engage and consult in line with ICE Regulations and encourages all colleagues to take part and make Turning Point Scotland a good place to work. Our unique approach has seen Turning Point Scotland win the 'HR Network Award' for Employee Engagement.

People with Disabilities

The company recognises its legal obligations under the Equality Act 2010 with all sections of society. In particular, we not only endeavour to be enabling with people who have a disability whenever reasonably possible, but also go beyond the statutory provision with a key focus on people who have previous lived experience of homelessness and addictions.

Turning Point Scotland remains an equal opportunities employer and has a range of positive employment accreditations. This includes being a "Disability Confident Committed" employer. This takes place within the constraints of the organisation, with a positive approach to reasonable adjustments, a risk assessment approach and a supportive culture. This is applicable for those being recruited as well as existing employees.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Strategic Direction

Managing the pressures of the prolonged Pandemic has undoubtedly been aided by the clarity of direction and purpose that emerged from the 2018-2021 TPS Strategy. Work done across the organisation to involve and include all staff colleagues in its construction, whilst time consuming, has proven to be an enormous benefit through the extremes and uncertainties of the Covid response period.

By necessity, the work involved in establishing a new refreshed Strategy could not be undertaken due to the immediate pressures of Multiple lock downs. The transition strategy, however, has enabled some useful continuity of effort and ongoing progress to facilitate a less pressured exercise of engagement with staff. Given the strength of these transition arrangements and the good progress that continues to be made, there are strong reasons not to rush the development of a new strategy. In addition to the ongoing instability of Social Care in Scotland, some key decisions directly affecting our operating arrangements are likely to be made over the next few months. The parameters and governance of the National Care Service, the means through which services will be commissioned and procured not to mention the detail of a model of change to navigate the largest transformation of health care since world war 2 are still to be explained.

These and other significant elements will have a direct bearing on the direction of travel for Turning Point Scotland. Whilst we have and will continue to offer comment on some of the major issues, we recognise that many of them are political in nature and as a single provider our views may not be determinant in the final outcomes. In contrast, there are other critical areas where our experience, practical experience and current influence may well have a much more potent role. Equally, in line with our stated values, we can ensure such issues are not neglected or omitted in the thinking as more structural or practical priorities evolve. Within this strategic ambition, TPS will champion the need to express how people will be at the centre of the changes, that the principles of self-directed support will remain central and gain much overdue expression under the new arrangements and in the face of an eminently predictable staffing crisis, Social Care colleagues will be valued, supported, empowered and enabled to help deliver on the unprecedented Social Care demands our country now faces.

Although the prolonged nature of the pandemic was not initially appreciated, the gravity and significance of events most certainly was. The early commissioning of the Insights work to capture the experiences and learning from staff across the organisation was commissioned along with pulse surveys and a range of communication mechanisms to ensure we could adapt to immediate needs but also learn from events to inform future improvement. This people focused approach that recognizes and respects the genuine value of our people lies at the heart of how we move forward and will play an integral role in our ongoing strategic development.

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Trustees' Report (incorporating the Strategic Report)

Amidst the uncertainties we currently face we also have the luxury of some clear facts upon which to build. There remains strong demand across all the service areas TPS currently operates in. The strength of our Corporate Core also provides a strong basis to take precautionous but deliberate moves to expand our services and capitalize on the undoubted opportunities that exist in post Covid Scotland. Having worked hard to become a provider of choice in several key disciplines and a recognized front runner in areas such as Forensic Learning Disability, Homelessness and alcohol & other drug services we will ensure these strong foundations are built upon.

In last year's Trustee Report, we reported on pioneering activities we were spearheading in relation to overdose response work. This work has since been expanded and continues to save lives, challenge conventional thinking and influence policy at local and central government levels. The success of this work can already be seen in advance of formal evaluation through significant local authorities developing the service model within their areas and is a good example of the measured but deliberate and determined approach we have adopted to address key areas of service demand.

The coming year will be animated by a new level of engagement with our people to reflect on our success, consult on the best way to improve, make the best choices to focus our energies and inform our strategic direction for the years to come.

Monitoring Performance

The pandemic continued to affect our capacity to undertake audits in the way we would have done pre pandemic. Some audits were able to continue using different formats, while others were suspended. We expect to see a return to the full audit cycle in 2022/23.

Monitoring and measuring the organisation's performance is central to delivering TPS's stated aim of being a continually improving and innovative organisation. The main audit processes which support this area are Service Practice, Health & Safety, Data and Information Management, Internal Finance and Clinical and Care Governance along with Service Improvement Plans. These processes overlay the ongoing oversight and monitoring of service provision through local line management structures.

Specific monitoring activities include:

1. **Information Gathering:** TPS gathers a range of information to make sure it is adequately monitoring its performance. 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.
2. **Outcome Monitoring:** The main target for TPS 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 about the changes in an individual's life. These can be aggregated to give overviews at individual, service and a company level. TPS aims to consolidate these frameworks where possible across service sectors in line with local Council and Scottish Government Outcomes reporting requirements.
3. **Monitoring Strategic Goals:** TPS Transition Strategy has 10 workstreams. Workstream leads report progress against an agreed workplan on a quarterly basis using a common reporting template. Summary progress reports are presented to the Executive Team and TPS Board also on a quarterly basis. Informal reporting takes place more frequently through discussion at the monthly strategy group meeting and between the workstream lead and their Executive Team sponsor. In addition to reporting on progress the monitoring process also enables monitoring of barriers to progress, capacity to deliver and any lessons learned.
4. **Audit & Quality Processes:** TPS has well established internal audit and quality systems. Every service is audited by an external Manager on an annual basis. Following the audit individual services incorporate the findings into Service Improvement Plans. The Quality and Audit Manager works in partnership with other functional managers to identify any trends across the organisation, which are reported to the Executive Team and Audit & Risk Assurance Committee.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Regulation

We had 38 services registered with the Care Inspectorate during the period 1st April 2021 to 31st March 2022. We have 9 services that currently don't require registration.

Ongoing Covid restrictions meant that during the year, we received six inspections from the Care Inspectorate. Their approach has been to focus on high risk services only, with some medium risk services receiving inspections more recently. The main reason for a medium risk rating is due to TPS having opened new services but not having received a formal Care Inspection for two years.

The Care Inspectorate continues to inspect on the basis of risk, and while there is a move away from high risk services only, it is still unclear when we will return to more regular inspection cycles across all services.

TPS continues however to undertake its own internal audit processes to provide reassurance on service quality, through audits on service practice, health and safety, data and information management, clinical and care governance and finance. On the whole our results remain positive with some areas for improvement but these are not unexpected given the extreme pressures of providing services throughout the pandemic.

Streamlined energy and Carbon Reporting (SECR)

Streamlined Energy and Carbon Reporting (SECR) is a mandatory annual requirement designed to help increase awareness of energy costs and provide data to adopt energy efficient measures to reduce climate change. Our annual report is detailed below:

UK Greenhouse gas emissions and energy use data

		2021/22 kWh		2020/21 kWh
<i>Energy consumption</i>		<u>4,209,078</u>		<u>4,545,599</u>
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes	Metric tonnes	Metric tonnes
Scope 1 – direct emissions				
- Gas combustion	478.04		559.3	
- Fuel consumed for owned transport	49.02		15.5	
		<u>527.06</u>		<u>574.8</u>
Scope 2 – indirect emissions				
- Electricity purchased		194.12		218.2
Scope 3 – other indirect emissions				
- Business travel in employee-owned vehicles		<u>119.29</u>		<u>123.5</u>
Total gross emissions		<u>840.48</u>		<u>916.5</u>
Intensity ratio				
Tonnes CO2e per £m annual revenue		<u>20.94</u>		<u>24.21</u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity Measure

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £m Revenue.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Measures taken to improve energy efficiency

We continue to upgrade the lighting to modern LED fittings. Video conferencing technology for staff meetings, to reduce the need for travel between sites, is now part of our working practices and we have created a new staff body to look at environmental and sustainability initiatives that we can implement within the organisation.

External Accreditation & Recognition

The Duke and Duchess of Cambridge Visit Turning Point Scotland

In May 2021 Turning Point Scotland had the honour of a visit from the Duke and Duchess of Cambridge to our North Lanarkshire service. The purpose of the visit was to learn about the vital service provided to individuals who face complex challenges such as homelessness, mental health and alcohol and other drug use.

During their visit the Duke and Duchess spoke with individuals supported by our Turnaround Service, which delivers targeted programmes to address complex issues. The Duke and Duchess joined a video call with staff and those who have benefited from our Overdose Response Team in Glasgow. They heard how the service provides real-time crisis support for people who have experienced a near-fatal overdose, saving lives. The Duke and Duchess have an existing understanding of adverse challenges, such as addiction through charitable work and engagements over the past ten years and were keen to praise Turning Point Scotland for the positive impact of the organisation's services.

HR Receive Award for Employee Engagement

In 2021 Turning Point Scotland were shortlisted in six categories for the Hr NETWORK Awards 2021. Turning Point Scotland were shortlisted in four organisational categories - Best Employer/Workplace of the Year Award, Diversity and Inclusion Award, Employee Engagement Award and Health and Wellbeing Award. There were also two individual nominations within Turning Point Scotland for the categories, 'HR Officer of the Year' and 'HR Specialist of the Year'.

The award ceremony, held on 25th November at Glasgow Hilton, was attended by staff who celebrated Turning Point Scotland winning the Employee Engagement Award on the night. Turning Point Scotland became the first 'Not for Profit' organisation in Scotland since the awards started 15 years ago to win an award. This award conveys Turning Point Scotland's commitment to engagement strategy and culture within the organisation while also recognising the dedication, ensuring colleagues are rewarded and recognised for their hard work.

Investors in People (IIP)

TPS has successfully achieved the prestigious Investors in People Platinum Accreditation. After many years of accomplishing the already outstanding 'Gold' rating, TPS has built on those firm foundations to become one of only twelve Not for Profit Organisations in Scotland and joins the 2% of the 10,000 organisations world-wide (who undertake IIP assessment) who have achieved 'Platinum' recognition. This award represents in no small part to the hard work, dedication and values of our staff. We are delighted to have achieved the IIP Platinum Accreditation and as we celebrate, we will also be looking for our next opportunity to better ourselves yet again.

Good Governance Award (April 2020 – April 2023)

As a values-based organisation we put people at the heart of what we do and we strongly believe good governance matters especially in the charity sector where the purpose is to serve our beneficiaries as best we can. TPS were delighted to achieve the required standard and be awarded The Good Governance Award in March 2020 which covers a 3-year period.

The Future

Predicting future trends is never straight forward but following the global events of the last two years, the task has become even more challenging. Many established patterns upon which relatively safe assumptions could be made have been fundamentally disrupted leaving a truly uncertain environment through which we must make progress. The prolonged nature of social and organisational disruption experienced has generated many specific issues for us to deal with. These include altered and often competing priorities, new claims on limited public funds, unprecedented public service pressures and relentless demands for service, all of which are driving an ever-stronger need for substantial change to sustain the life experiences we have come to expect.

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Nowhere is the case more acute than in Scottish Health and Social Care. Since the publication of the Independent Review of Adult Social Care in Scotland in February 2021, and the Scottish Government's endorsement of the recommendations, there was a period of optimism. Since then, however, rather than this being the catalyst for positive change we had hoped for, the long-established fault lines have further deteriorated with a staffing exodus now threatening the survival of Social Care provision and the Voluntary Sector's role within it.

Turning Point Scotland has emerged from the worst excesses of the last two years stronger than ever despite the numerous challenges we have been forced to confront. We have galvanized our strong foundations which span not only our financial and operating arrangements but perhaps most importantly, the positive bond we have forged with staff colleagues. This hard-won strength offers much more confidence moving forward than may have been expected and equips the organisation well to build on our strengths and secure further measured growth moving forward.

The next year will be one full of continued uncertainty as the plans for a National Care Service continue to develop and providers continue to struggle with unprecedented staffing pressures. During this period, TPS will be constructing our new Strategic Plan and will use extensive consultation and dialogue to ensure our mission and vision reflect the ambitions of our people and is fully supported by colleagues across the organisation. We will focus on our strengths to ensure forward momentum and use our diverse service focus to manage risk.

The TPS mindset which has proved to be so successful over the course of the Pandemic may be characterised as cautious but deliberate. This is a useful description of how we will operate over the next year to sustain the services we currently deliver, target growth opportunities in areas we have something positive to contribute and work to help influence and shape key decisions for the future of Health and Social Care, not simply be the recipients of them.

Financial Review

The Group has again increased its turnover by winning new contracts whilst at the same time maintaining contracts that were up for renewal. Turnover increased to £39,546,190 and the Group made a surplus of £2,003,332. £572,279 of this surplus came from the revaluation of the properties owned by the Group. The Group has net funds as at 31 March 2022 of £11,083,897 (2021: £9,080,565).

We continued to work with councils as the pandemic went on longer than anyone had first thought to ensure funding was available for all services including those that had to adapt and change due to the various restrictions brought in to combat the pandemic. Recruitment and retention has been one of the biggest areas of concern as restrictions have eased. There is a staffing issue in the sector that has led to increased vacancies. This has resulted in increased recruitment and agency costs in some services.

The uncertainty that surrounded the sector last year as a result of the pandemic has not disappeared. We are still waiting to see the financial impact the pandemic has had on the finances of the country and how this might affect funding going forward.

During the year the company invested £3,000,000 of its cash reserves in the stock market. At the yearend these investments stood at £3,073,390. In making this investment the Statement of Investment Policy takes consideration of ethical considerations. Turning Point Scotland's assets should be invested in line with its charitable aims. The Trustees delegate the investment management to Tilney on a discretionary basis. The investment process at Tilney incorporates Ethical, Social and Governance (ESG) analysis whereby they review prospective investments against a wide range of ESG Criteria alongside robust financial analysis. This approach is also reflected in their selection of collective investments with the requirement for fund managers on the 'buy list' to meet strict ESG criteria as part of the selection process.

The Trustees have specifically asked Tilney to avoid any direct investment in companies involved in alcohol, tobacco and payday lending as direct investments or where they are included as a significant percentage of a conglomerate and any portfolios that include them. Other individual investments may be excluded by the Trustees through time, if perceived to conflict with Turning Point Scotland's purpose.

It is a further requirement of the Trustees that the investment manager is a signatory to the UN Principles of Responsible Investment and it has been confirmed that this is the case for Tilney and they also have a Tier 1 rating for stewardship from the FRC (Financial Reporting Council). As a Member of the Investor Forum, they actively engage with companies on such issues as executive remuneration, workplace safety and greenhouse gas emissions. A quarterly Stewardship update is produced to confirm such activities.

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Reserves Policy

The charity has three categories of reserves - Restricted Funds in furtherance of its charitable activities (can only be used for the purpose set by the funder), Unrestricted Funds (can be used by the company for general purposes), and the Revaluation Reserve. At the year end there were free (undesignated) reserves of £6,134,868. Further details of these funds can be found in note 22.

Under the Reserves Policy the company seeks to hold two months' gross salaries held in General Company Development Reserves. For the financial year 2021/2022 this target was £5,294,760. Currently we hold reserves in excess of this, see note 22. In the year 2021/2022 the Board took a pragmatic view due to the pandemic to hold the reserves balance due to the financial uncertainties.

Since the year end the Board have authorised spend from reserves for two projects. The first is the setting up and recruitment of a specialist Recruitment Department. The initial two year spend amounting to £265,000 is to address the recruitment crisis affecting the sector and the company. A second spend of £310,000 over two years has been authorised to cover the costs of the introduction of a PBS (Positive Behaviour Support) Team which is a well-established structure to enhance the support provided, in particular, to adults with a learning disability. The PBS Team will work to embed these structures, processes and supports across the TPS Learning Disability service

A further spend from reserves has also been approved by the Board to help staff cope with the current cost of living crisis. The Board have approved a two year pay deal with staff. However, the company will consolidate the full pay award and pay the 3% increase for 2023/24 from April 2022. This will mean using £1,000,000 of reserves to meet this cost.

Going Concern

The company is budgeting for an increase in turnover for the financial year 2022/23. We are budgeting for a turnover of £43.1m, however we are also predicating a deficit of £1.6m

There are two reasons for this. The Board has made an investment in its staff by awarding a 4% pay rise in 2022/23 and a 3% pay rise for 2023/24 but consolidating it and paying 7% in 2022/23. The additional cost of this is £1m and it was agreed that this would come from reserves. The second reason for the budgeted deficit is the increased costs of gas and electricity. This has increased the cost base by £0.86m. We will be working with funders to see if there is additional funding available.

In the coming 12 – 18 months we have eight services that might go through a re-tender process. The combined turnover of these services is £11.5m. If we were to lose some or all of these services, the corresponding costs relating to that service are also lost thus safeguarding the company from on-going losses.

The company has strong reserve position at present and the trustees thus consider that the company will continue in operational existence for a period of at least twelve months after the date of signing these financial statements

Turning Point Scotland Charitable Donations

During the year Make it Happen awarded £11,268 to 38 people connected with TPS services to help them achieve their aspirations and goals. The biggest percentage of awards was for laptops and tablets, but there were also a number of awards for equipment and materials for hobbies; particularly bikes, fitness equipment and art & craft materials. The remaining awards were for training courses that would enable people to pursue voluntary opportunities and/or employment.

Risk Management

The company has a company-wide risk management plan with which financial and non-financial risks are assessed and managed.

We were challenged by the Board to re-visit our approach to the Risk Management Plan at the beginning of 2022 regarding a new approach to the Plan which would afford the Board more clarity on risk management across the organisation and an effective way of setting out the Plan moving forward.

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Trustees' Report (incorporating the Strategic Report)

This work is now complete and our risk approach and management plan was revised in May 2022 and scrutinised through Board governance arrangements. We believe that the document that now exists is a transparent and full representation of risk associated with the present and future of Turning Point Scotland.

The high-level risks as of 31st March 2022 were as follows:

- 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 fail to recognise and respond to changes in the operating environment resulting in reduced service provision
- We fail to train staff to the mandated level on courses which are essential for the health and safety of staff
- We fail to ensure the physical, financial, emotional and sexual safety of people we support

These risks are reviewed and discussed regularly by the Executive Team and at every Audit & Risk Assurance Committee meeting. The strategies in place to manage the above risks are set out below:

Risk	Strategy to Manage Risk
Our pension arrangements threaten the financial stability of the organisation (33)	The Board receive pension reports at key Board meetings by the Chair of the Pension Trustees. We have a recovery plan in place which is reviewed annually and we have an estimated provision in the budget.
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 (34)	Trustees of the scheme regularly review the financial stability and covenant of both Turning Point England and Turning Point Scotland.
We fail to recognise and respond to changes in the operating environment resulting in reduce service provision (35)	The Policy Business and Development Officer monitors policy framework and our Heads of Operations regularly monitor the operating environment and report to the Board and Executive Team. Through our membership of Coalition of Care and Support Providers in Scotland (CCPS) we participate in working groups, respond to consultations and help shape social care services in Scotland.
We fail to train staff to the mandated level on courses which are essential for the health and safety of staff and service users (46) & (50)	We carry out service level MAPA risk assessments and update these as required. We ensure all require staff complete mandatory training.
We fail to ensure physical, financial, emotional and sexual safety of people we support (47)	We have a range of policies and procedures in place to safeguard and protect the people we support including Protection of Vulnerable Adult, Support Planning, Safeguarding, Safer Recruitment. We ensure staff receive appropriate training. We have robust processes and audits in place.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Structure, Governance and Management

Turning Point Scotland is a company limited by guarantee (Company No.194639) and a registered charity (Charity No. SC028827) governed by its Memorandum and Articles of Association.

The Trustees amended the charity's constitutional objects in December 2019. The Scottish Charity Regulator have updated the charity's records accordingly.

The charity has one wholly-owned subsidiary undertaking, Turning Point Scotland Services Limited (Company No. SC245852) the results of which are consolidated with those of the charity, and together they are referred to as 'the Group'.

The Audit and Risk Assurance Committee

The Board is responsible for the preparation of accurate financial statements and for the identification, assessment and mitigation of major risks to Turning Point Scotland and for the establishment, and maintenance of internal controls and for review of processes. It has established an Audit and Risk Assurance Committee to assist it in that role. Members of the Committee are appointed by the Board and there are 4 Trustees on the Committee. At least one member must have recent and relevant financial experience. The Committee reviews the Terms of Reference and Workplan annually and meet 5 times each year.

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.

We have a Board of up to 15 Trustees as at 31st March 2022 there were 11 Trustees in post. 2 Trustees retired and 6 new Trustees were appointed during the period.

The Board is responsible for the recruitment, selection and induction of new Trustees. We have a comprehensive process for the recruitment and selection of Trustees. The first step in the process is to carry out a skills audit to capture the skills, competencies, knowledge and experience of existing Trustees and to identify any gaps. Trustee vacancies are advertised externally through various platforms and networking forums. Prospective Trustees receive a recruitment candidate brief which provides a balanced and realistic picture of what being a Trustee entails. Shortlisting and interviews are consistent and take place against agreed criteria to ensure a fair and objective approach. Appropriate checks are carried out before confirming new Trustee members in post, these include taking up references, eligibility checks, search the register of disqualified directors at Companies House and PVG (Protecting Vulnerable Groups) membership scheme. Following the appointment of a Trustee, we inform and update the relevant bodies such as Companies House and the Care Inspectorate.

Trustees are required to undergo an induction process and to undertake relevant training. This ensures Trustees know their role, the charity and their legal responsibilities. It also reassures the Board that new Trustees have an awareness and understanding of key policies and procedures such as health and safety and data protection. Training on governance, finance and risk management is provided during the Trustee's induction period. New Trustees are mentored by a more experienced Trustee and have receive regular support from the Chair and Vice Chair as well as an annual appraisal.

A workplan 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:

- Review of Memorandum and Articles of Association
- Review of Scheme of Delegation Process
- Review of Standing Financial Instructions
- Review of Accounting Policies
- Review of Annual Accounts for year ending 31/03/22
- Review of Management Account Information
- Review of Summary Report on Fraud and Going Concern
- Review of Statement of Investment Policy
- Review of Reserves Policy

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

- Review of Services Under Financial Review Policy
- Review of Internal Audit Programme (Financial and Non-Financial)
- Review of Succession Planning Policy and Process
- Review the Schedule of Compliance
- Review of Business Contingency Plan Process
- Review of Audit & Risk Assurance Committee Terms of Reference

The Audit and Risk Assurance Committee produce an annual report which is presented to the Board in September.

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

The Annual General Meeting was held in September 2021 and the Board held a Strategy day in November 2021.

Key management personnel remuneration

The Board of Trustees has ultimate responsibility for the operations of the charity.

The Trustees consider the Chief Executive, Director of Finance & Resources, Director of Operations and the Director of Business Development & Improvement as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

The Trustees receive no remuneration for fulfilling their role as trustees. Due to the pandemic there were no travel expenses reimbursed to the Trustees during the year.

Remuneration Review of Chief Executive and Directors

In 2021, the Chief Executive and Directors received salary adjustments to address the historic impact of inflation over the medium term. The Board's intention is to ensure that senior salaries remain competitive rather than being the highest payer in the sector.

The Board delegated the process to review the salary of the Chief Executive and Directors to the Remuneration Committee comprising of the Chair, Vice Chair and one Trustee from the Audit Committee, with support from the Head of Corporate Governance.

The Remuneration Committee commissions external benchmarking at least every third year and records the main benchmarking data used to inform decisions in order that current cases are made on a comparable basis to historic ones.

An annual and light touch audit is used to assess the need for adjustment either because of significant changes in the external environment (e.g. rapid changes in inflation, etc.) and/or any significant adjustment in roles, responsibility or scope of work for senior staff.

Annually, the Chair notifies the Head of Corporate Governance in writing of the outcome of the review and for action.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Reference and administrative Information

Trustees

Paul McAuslan	Chair
Stephen Plummer	Vice Chair
Alison Bunce	
Graeme Cook	
Lorna Gibbs	
Patricia Cassidy	Appointed 07/09/2021
Peter Gabbitas	Appointed 07/09/2021
Marc Mazzucco	Appointed 07/09/2021
Louise Smith	Appointed 07/09/2021
Gary Brewer	Appointed 01/02/2022
Jennifer Thomson	Appointed 01/02/2022
Dorothy McElroy	Retired 07/09/2021
Robert MacIntosh	Retired 07/09/2021

Chief Executive

Neil Richardson OBE QPM

Secretary and Registered Office

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

Principal Office

54 Govan Road
Glasgow
G51 1JL

Auditor

RSM UK Audit LLP
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

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)

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing the Strategic Report, 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 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 principals in the Charities SORP (FRS102);
- 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.

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 group and 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

RSM 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 Trustees' report (incorporating the strategic report) was approved by the Board on 13/09/22 by:

Paul McAuslan

Paul McAuslan
Chair

Stephen Plummer

Stephen Plummer
Vice Chair

TURNING POINT SCOTLAND

Independent Auditor's Report to the Members and Trustees of Turning Point Scotland For the year ended 31 March 2022

Opinion

We have audited the financial statements of Turning Point Scotland (the 'parent charitable company') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Company Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2022; and of the group's and the parent charitable company's incoming resources and application of resources, including their 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 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).

Basis for opinion

We have been appointed 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.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

TURNING POINT SCOTLAND

Independent Auditor's Report to the Members and Trustees of Turning Point Scotland For the year ended 31 March 2022

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 directors' report and the strategic report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual 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) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 22 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 and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

TURNING POINT SCOTLAND

Independent Auditor's Report to the Members and Trustees of Turning Point Scotland For the year ended 31 March 2022

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Care Inspectorate legislation, Protection of Vulnerable Groups (Scotland) Act 2007, Health and Safety laws and Data Protection including GDPR. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and the completeness and cut off of grant income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates. Audit procedures performed in relation to completeness and cut off of grant income included but were not limited to testing grant income one month pre and post year end to supporting documentation to identify whether it had been recorded in the correct period and was complete.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TURNING POINT SCOTLAND

Independent Auditor's Report to the Members and Trustees of Turning Point Scotland For the year ended 31 March 2022

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable 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 members and the charitable 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 charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Adams

Kelly Adams MA (Hons) CA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Dated 15/09/22

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

TURNING POINT SCOTLAND

Consolidated Statement of Financial Activities (incorporating income and expenditure account) For the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Income and endowments from:					
Donations and legacies	6	279,194	-	279,194	50,559
Charitable activities	7	38,665,254	559,000	39,224,254	37,584,438
Investment income	8	464	-	464	5,500
Other income		42,278	-	42,278	241,750
Total income and endowments		<u>38,987,190</u>	<u>559,000</u>	<u>39,546,190</u>	<u>37,882,247</u>
Expenditure on:					
Charitable activities	9	(37,488,238)	(699,827)	(38,188,065)	(36,083,410)
Total expenditure		<u>(37,488,238)</u>	<u>(699,827)</u>	<u>(38,188,065)</u>	<u>(36,083,410)</u>
Surplus/(Deficit) of Funds		1,498,952	(140,827)	1,358,125	1,798,837
Net gain on revaluation of investments	17	72,928	-	72,928	-
Net Income/(Expenditure)	14	1,571,880	(140,827)	1,431,053	1,798,837
Gains on revaluation of fixed assets		572,279	-	572,279	-
Net Movement in Funds		<u>2,144,159</u>	<u>(140,827)</u>	<u>2,003,332</u>	<u>1,798,837</u>
Total funds brought forward	22	<u>8,767,191</u>	<u>313,374</u>	<u>9,080,565</u>	<u>7,281,728</u>
Total funds carried forward	22	<u>10,911,350</u>	<u>172,547</u>	<u>11,083,897</u>	<u>9,080,565</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 33 to 56 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 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Income and endowments from:					
Donations and legacies	6	279,194	-	279,194	50,559
Charitable activities	7	38,665,254	559,000	39,224,254	37,584,438
Investment income	8	531,810	-	531,810	531,332
Other income		42,278	-	42,278	241,750
Total income and endowments		39,518,536	559,000	40,077,536	38,408,079
Expenditure on:					
Charitable activities	9	(38,087,669)	(699,827)	(38,787,496)	(36,613,935)
Total expenditure		(38,087,669)	(699,827)	(38,787,496)	(36,613,935)
Surplus/(Deficit) of Funds		1,430,867	(140,827)	1,290,040	1,794,144
Net gain on revaluation of investments	17	72,928	-	72,928	-
Net Income/(Expenditure)	14	1,503,795	(140,827)	1,362,968	1,794,144
Gains on revaluation of fixed assets		572,279	-	572,279	-
Net Movement in Funds		2,076,074	(140,827)	1,935,247	1,794,144
Total funds brought forward	22	8,218,051	313,374	8,531,425	6,737,281
Total funds carried forward	22	10,294,125	172,547	10,466,672	8,531,425

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

TURNING POINT SCOTLAND

Consolidated Balance Sheet As at 31 March 2022

	Notes	£	2022	£	£	2021	£
Fixed assets							
Tangible assets	16			5,208,502			4,636,224
Investments	17			3,073,390			-
				<u>8,281,892</u>			<u>4,636,224</u>
Current assets							
Debtors	18		4,668,191		4,430,075		
Cash at bank and in hand	19		8,058,777		9,250,028		
			<u>12,726,968</u>		<u>13,680,103</u>		
Creditors: Amounts falling due within one year	20		<u>(5,581,963)</u>		<u>(4,771,762)</u>		
Net current assets				<u>7,145,005</u>			<u>8,908,341</u>
Total assets less current liabilities				<u>15,426,897</u>			<u>13,544,565</u>
Provisions for liabilities	21			<u>(4,343,000)</u>			<u>(4,464,000)</u>
Net assets				<u>11,083,897</u>			<u>9,080,565</u>
Funds							
Restricted funds	22			172,547			313,374
Unrestricted funds	22			9,768,566			8,196,686
Revaluation Reserve	22			1,142,784			570,505
Net funds	23			<u>11,083,897</u>			<u>9,080,565</u>

The financial statements were approved and authorised for issue by the Board on 13/09/22 and are signed on their behalf by:-

Paul McAuslan

Paul McAuslan, Chair

Stephen Plummer

Stephen Plummer, Vice Chair

Charity No: SC028827
Company No: SC194639

The notes on pages 33 to 56 form part of these financial statements

TURNING POINT SCOTLAND

Company Balance Sheet As at 31 March 2022

	Notes	£	2022	£	£	2021	£
Fixed assets							
Tangible fixed assets	16		5,208,502			4,636,224	
Investments	17		3,073,391			1	
			<u>8,281,893</u>			<u>4,636,225</u>	
Current assets							
Debtors	18	3,526,781			3,629,605		
Cash at bank and in hand	19	7,756,919			8,740,240		
		<u>11,283,700</u>			<u>12,369,845</u>		
Creditors: Amounts falling due within one year	20	(4,755,921)			(4,010,645)		
Net current assets			<u>6,527,779</u>			<u>8,359,200</u>	
Total assets less current liabilities			<u>14,809,672</u>			<u>12,995,425</u>	
Provisions for liabilities	21		(4,343,000)			(4,464,000)	
Net assets			<u>10,466,672</u>			<u>8,531,425</u>	
Funds							
Restricted funds	22		172,547			313,374	
Unrestricted funds	22		9,151,341			7,647,546	
Revaluation Reserve	22		1,142,784			570,505	
Net funds			<u>10,466,672</u>			<u>8,531,425</u>	

The financial statements were approved and authorised for issue by the Board on 13/09/22 and are signed on their behalf by:-

Paul McAuslan

Paul McAuslan, Chair

Stephen Plummer

Stephen Plummer, Vice Chair

Charity No: SC028827
Company No: SC194639

The notes on pages 33 to 56 form part of these financial statements

TURNING POINT SCOTLAND

Consolidated Statement of Cash Flows As at 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Cash provided by operating activities	28	1,808,213	2,550,179
Cash flows from investing activities			
Interest receivable		2	5,500
Dividends received from investments		464	-
Purchase of fixed asset investments		(2,999,930)	-
Payments to acquire tangible fixed assets		-	(25,484)
Net cash (used in)/provided by investing activities		<u>(2,999,464)</u>	<u>(19,984)</u>
(Decrease)/Increase in cash in the year		<u>(1,191,251)</u>	<u>2,530,195</u>
Cash and cash equivalents at 1 April		9,250,028	6,719,833
Cash and cash equivalents at 31 March		<u><u>8,058,777</u></u>	<u><u>9,250,028</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>8,058,777</u></u>	<u><u>9,250,028</u></u>

The notes on pages 33 to 56 form part of these financial statements

TURNING POINT SCOTLAND

Company Statement of Cash Flows As at 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Cash provided by operating activities	28	2,016,143	2,326,920
Cash flows from investing activities			
Interest receivable		2	4,680
Dividends received from investments		464	-
Purchase of fixed asset investments		(2,999,930)	-
Payments to acquire tangible fixed assets		-	(25,484)
Net cash provided by/(used in) investing activities		<u>(2,999,464)</u>	<u>(20,804)</u>
(Decrease)/Increase in cash in the year		<u>(983,321)</u>	<u>2,306,116</u>
Cash and cash equivalents at 1 April		8,740,240	6,434,124
Cash and cash equivalents at 31 March		<u><u>7,756,919</u></u>	<u><u>8,740,240</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>7,756,919</u></u>	<u><u>8,740,240</u></u>

The notes on pages 33 to 56 form part of these financial statements

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

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 2022.

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 (Trustee) 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 company is budgeting for an increase in turnover for the financial year 2022/23. We are budgeting for a turnover of £43.1m, however we are also predicating a deficit of £1.6m.

The board of trustees has taken into consideration the budgets and forecasts for the next 12 months as well as the strong reserves position of the group and the trustees thus consider that the company will continue in operational existence for a period of at least twelve months after the date of signing these financial statements. The accounts have therefore been prepared on a going concern basis.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

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.

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income includes:

Contract income

Contract income from Local Authorities is recognised when the service is provided. Any amounts received in advance of services provided are treated as deferred income.

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.

Other income

Other income includes income received under the UK Government's Coronavirus Job Retention Scheme (CJRS) during the year.

Interest receivable

Interest is included when receivable by the group.

Investment income

Investment income is recognised when received by the group.

The charity's investment income includes the distribution of earnings from its subsidiary company which pays all its taxable profits for the reporting period to the parent charity under the Gift Aid Scheme. In line with the amended FRS 102, this Gift Aid income is only recognised on receipt of this distribution or when there is a legal obligation established.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

3. Accounting policies (cont'd)

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. These costs are included in support codes and are apportioned there.
- Support costs which are attributable to more than one activity are apportioned across activities on the basis of the relative cost of 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 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. 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 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.

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.

In relation to the defined benefit scheme following the 31 March 2019 triennial review, the recovery plan was updated. Under the recovery plan, Turning Point Scotland is required to make annual payments from 1 July 2020 to 30 June 2023. Annual contributions will then increase in line with Retail Price Inflation until 31 March 2033.

The estimated remaining liability 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.

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.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

3. Accounting policies (cont'd)

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. Freehold property is held at valuation, all other categories of fixed assets below are held at cost 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.

Quoted Fixed Asset Investments have been incorporated at mid-market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for 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. 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.

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.

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.

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.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

3. Accounting policies (cont'd)

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. Significant estimations have been applied to the pension assumptions. Pension assumptions and the discount rate applied to the past service deficit pension liability have been reviewed and have been deemed to be appropriate. The group estimates the value of its freehold property with reference to surveys carried out by external qualified surveyors.

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

Group	Unrestricted Funds £	Restricted Funds £	2021 £
Income and endowments from:			
Donations and legacies	50,559	-	50,559
Charitable activities	37,207,768	376,670	37,584,438
Investment income	5,500	-	5,500
Other income	241,750	-	241,750
Total income and endowments	37,505,577	376,670	37,882,247
Expenditure on:			
Charitable activities	(35,869,679)	(213,731)	(36,083,410)
Total expenditure	(35,869,679)	(213,731)	(36,083,410)
Net income	1,635,898	162,939	1,798,837

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

5. Comparative Statement of Financial Activities (incorporating Income and Expenditure Account) (cont'd)

Company	Unrestricted Funds £	Restricted Funds £	2021 £
Income and endowments from:			
Donations and legacies	50,559	-	50,559
Charitable activities	37,207,768	376,670	37,584,438
Investment income	531,332	-	531,332
Other income	241,750	-	241,750
Total income and endowments	38,031,409	376,670	38,408,079
Expenditure on:			
Charitable activities	(36,400,204)	(213,731)	(36,613,935)
Total expenditure	(36,400,204)	(213,731)	(36,613,935)
Net income	1,631,205	162,939	1,794,144

6. Donations and legacies

Group and company	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Grants	228,945	-	228,945	18,000
Donations	50,249	-	50,249	32,559
	<u>279,194</u>	<u>-</u>	<u>279,194</u>	<u>50,559</u>

7. Charitable Activities

Group and company	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Alcohol and other drugs	5,820,206	559,000	6,379,206	5,035,347
Homelessness	7,683,789	-	7,683,789	8,054,610
Mental health	1,141,520	-	1,141,520	1,154,744
Housing support	1,528,308	-	1,528,308	1,387,707
Learning disability	18,977,752	-	18,977,752	18,465,468
Criminal justice	3,189,880	-	3,189,880	3,155,095
Housing management	323,799	-	323,799	331,467
	<u>38,665,254</u>	<u>559,000</u>	<u>39,224,254</u>	<u>37,584,438</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

8. Investment income

Group	Unrestricted Funds	Restricted Funds £	2022 £	2021 £
Bank interest	2	-	2	5,500
Dividend income	462	-	462	-
	<u>464</u>	<u>-</u>	<u>464</u>	<u>5,500</u>
	<u><u>464</u></u>	<u><u>-</u></u>	<u><u>464</u></u>	<u><u>5,500</u></u>
 Company	 Unrestricted Funds £	 Restricted Funds £	 2022 £	 2021 £
Bank interest	2	-	2	4,680
Amounts received from subsidiary undertaking – Gift Aid	531,346	-	531,346	526,652
Dividend income	462	-	462	-
	<u>531,810</u>	<u>-</u>	<u>531,810</u>	<u>531,332</u>
	<u><u>531,810</u></u>	<u><u>-</u></u>	<u><u>531,810</u></u>	<u><u>531,332</u></u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

9. Expenditure on charitable activities

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2022 £
Activities undertaken directly	5,915,831	6,480,241	1,121,722	1,362,787	16,612,848	2,829,247	109,296	34,431,972
Support costs (note 10)	645,348	706,915	122,357	148,663	1,812,250	308,637	11,923	3,756,093
	<u>6,561,179</u>	<u>7,187,156</u>	<u>1,244,079</u>	<u>1,511,450</u>	<u>18,425,098</u>	<u>3,137,884</u>	<u>121,219</u>	<u>38,188,065</u>
Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2022 £
Activities undertaken directly	5,915,831	6,480,241	1,121,722	1,362,787	16,612,848	2,829,247	109,296	34,431,972
Support costs (note 10)	748,732	819,894	141,401	172,341	2,101,369	357,955	13,832	4,355,524
	<u>6,664,563</u>	<u>7,300,135</u>	<u>1,263,123</u>	<u>1,535,128</u>	<u>18,714,217</u>	<u>3,187,202</u>	<u>123,128</u>	<u>38,787,496</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

9. Expenditure on charitable activities (continued)

Comparative year:

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2021 £
Activities undertaken directly	4,248,590	6,914,933	1,041,106	1,256,479	16,255,955	2,865,954	63,669	32,646,686
Support costs (note 10)	447,250	727,936	109,597	132,269	1,711,269	301,701	6,702	3,436,724
	<u>4,695,840</u>	<u>7,642,869</u>	<u>1,150,703</u>	<u>1,388,748</u>	<u>17,967,224</u>	<u>3,167,655</u>	<u>70,371</u>	<u>36,083,410</u>

Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2021 £
Activities undertaken directly	4,248,590	6,914,933	1,041,106	1,256,479	16,255,953	2,865,954	63,669	32,646,684
Support costs (note 10)	516,291	840,310	126,515	152,688	1,975,437	348,274	7,736	3,967,251
	<u>4,764,881</u>	<u>7,755,243</u>	<u>1,167,621</u>	<u>1,409,167</u>	<u>18,231,390</u>	<u>3,214,228</u>	<u>71,405</u>	<u>36,613,935</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

10. Support costs

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2022 £
Salaries	500,840	548,623	94,966	115,375	1,406,460	239,527	9,253	2,915,044
Operating costs	125,304	137,259	23,759	28,866	351,879	59,927	2,315	729,309
Property running costs	5,703	6,245	1,077	1,313	16,006	2,727	105	33,176
Maintenance costs	7,137	7,816	1,348	1,643	20,032	3,412	132	41,520
Governance costs (note 11)	6,364	6,972	1,207	1,466	17,873	3,044	118	37,044
	<u>645,348</u>	<u>706,915</u>	<u>122,357</u>	<u>148,663</u>	<u>1,812,250</u>	<u>308,637</u>	<u>11,923</u>	<u>3,756,093</u>

Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2022 £
Salaries	481,273	527,015	90,890	110,777	1,350,727	230,088	8,892	2,799,662
Operating costs	217,593	238,274	41,093	50,085	610,690	104,027	4,020	1,265,782
Property running costs	5,703	6,245	1,077	1,313	16,006	2,727	105	33,176
Maintenance costs	7,137	7,816	1,348	1,643	20,032	3,412	132	41,520
Management fee to TPSS	31,001	33,947	5,855	7,136	87,006	14,821	572	180,338
Governance costs (note 11)	6,025	6,597	1,138	1,387	16,908	2,880	111	35,046
	<u>748,732</u>	<u>819,894</u>	<u>141,401</u>	<u>172,341</u>	<u>2,101,369</u>	<u>357,955</u>	<u>13,832</u>	<u>4,355,524</u>

Support costs are allocated on the basis of actual expenditure incurred.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

10. Support costs (continued)

Comparative year:

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2021 £
Salaries	332,306	540,856	81,431	98,276	1,271,471	224,163	4,980	2,553,483
Operating costs	99,249	161,536	24,321	29,352	379,747	66,950	1,487	762,642
Property running costs	7,663	12,473	1,878	2,266	29,322	5,170	115	58,887
Maintenance costs	3,816	6,210	935	1,128	14,599	2,574	57	29,319
Governance costs (note 11)	4,216	6,861	1,032	1,247	16,130	2,844	63	32,393
	<u>447,250</u>	<u>727,936</u>	<u>109,597</u>	<u>132,269</u>	<u>1,711,269</u>	<u>301,701</u>	<u>6,702</u>	<u>3,436,724</u>

Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2021 £
Salaries	318,306	518,071	78,000	94,136	1,217,904	214,719	4,770	2,445,906
Operating costs	159,179	259,078	39,006	47,076	609,052	107,377	2,385	1,223,153
Property running costs	7,663	12,473	1,878	2,266	29,322	5,170	115	58,887
Maintenance costs	3,816	6,210	935	1,128	14,599	2,574	57	29,319
Management fee to TPSS	23,242	37,828	5,695	6,874	88,928	15,678	348	178,593
Governance costs (note 11)	4,085	6,650	1,001	1,208	15,632	2,756	61	31,393
	<u>516,291</u>	<u>840,310</u>	<u>126,515</u>	<u>152,688</u>	<u>1,975,437</u>	<u>348,274</u>	<u>7,736</u>	<u>3,967,251</u>

Support costs are allocated on the basis of actual expenditure incurred.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

11. Governance costs

Group	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Audit and other professional fees	37,044	-	37,044	32,393
	<u>37,044</u>	<u>-</u>	<u>37,044</u>	<u>32,393</u>
Company				
Audit and other professional fees	35,046	-	35,046	31,393
	<u>35,046</u>	<u>-</u>	<u>35,046</u>	<u>31,393</u>

12. Employees

Group	2022 £	2021 £
Staff costs consist of:		
Wages and salaries	29,732,978	28,301,091
Social security costs	2,271,275	2,045,405
Death in service insurance	109,669	99,371
Pension costs	823,483	799,964
Past service pension deficit – change in assumptions	(217,004)	(121,000)
	<u>32,720,401</u>	<u>31,124,831</u>
Company		
Staff costs consist of:		
Wages and salaries	29,617,596	28,193,516
Social security costs	2,271,275	2,045,405
Death in service insurance	109,669	99,371
Pension costs	823,483	799,964
Past service pension deficit – change in assumptions	(217,004)	(121,000)
	<u>32,605,019</u>	<u>31,017,256</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

12. Employees (cont'd)

Group and company

The pension costs of £823,483 (2021: £799,964) 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 £343,000 (2021: £360,000) to the defined benefit scheme during the year. These payments have reduced the past service deficit relating to the defined benefit pension scheme liability (note 26).

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

	2022 No.	2021 No.
Salaried	1,156	1,202
Sessional	148	167
	<u>1,304</u>	<u>1,369</u>

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

	2022 No.	2021 No.
£60,000 - £70,000	-	3
£70,001 - £80,000	3	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

The total cost of pension contributions to the defined contribution scheme in the year for staff paid more than £60,000 was £12,853 (2021: £11,281).

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

	2022 £	2021 £
Key management personnel emoluments	359,021	314,937
Employer's social security contributions in relation to key management personnel	42,834	37,009
Key management personnel pension contributions	12,853	11,281
	<u>414,708</u>	<u>363,227</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 2022

14. Net income/(expenditure)	2022 £	2021 £
Group		
Net income for the year is stated after charging:-		
Auditor's remuneration:		
- For audit services	27,000	25,050
- For taxation compliance services	1,400	1,330
- For accountancy services	2,990	2,856
Depreciation of fixed assets	-	113,387
Operating lease rentals	831,642	812,370
	<u>831,642</u>	<u>812,370</u>
Company	2022 £	2021 £
Net income for the year are stated after charging:-		
Auditor's remuneration:		
- For audit services	25,250	23,400
- For taxation compliance services	-	-
- For accountancy services	1,780	1,664
Depreciation of fixed assets	-	113,387
Operating lease rentals	831,642	812,370
	<u>831,642</u>	<u>812,370</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 £
Group and company					
Cost or valuation:					
At 1 April 2021	4,829,044	97,692	56,442	144,823	5,128,001
Additions	-	-	-	-	-
Revaluation Movement	379,458	-	-	-	379,458
	<u>5,208,502</u>	<u>97,692</u>	<u>56,442</u>	<u>144,823</u>	<u>5,507,459</u>
At 31 March 2022	5,208,502	97,692	56,442	144,823	5,507,459
Depreciation:					
At 1 April 2021	192,820	97,692	56,442	144,823	491,777
Provided for in the year	-	-	-	-	-
Revaluation Movement	(192,820)	-	-	-	(192,820)
	<u>-</u>	<u>97,692</u>	<u>56,442</u>	<u>144,823</u>	<u>298,957</u>
At 31 March 2022	-	97,692	56,442	144,823	298,957
Net book value:					
At 31 March 2022	<u>5,208,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,208,502</u>
At 31 March 2021	<u>4,636,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,636,224</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

16. Tangible assets (cont'd)

The properties were revalued in March 2019 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:

	2022 £	2021 £
Cost	5,653,920	5,653,920
Accumulated depreciation	(1,830,197)	(1,717,119)
Net book value	<u>3,823,723</u>	<u>3,936,801</u>

17. Fixed asset investments

	Group £	Company £
Market value		
At 31 March 2022	<u>3,073,390</u>	<u>3,073,391</u>

Movements in fixed asset investments	Shares in subsidiary £	Shares in trade investments £	Total £
Group			
Cost or valuation:			
At 1 April 2021	-	-	-
Additions	-	2,999,930	2,999,930
Revaluation gains	-	72,928	72,928
Other movements	-	532	532
At 31 March 2022	<u>-</u>	<u>3,073,390</u>	<u>3,073,390</u>

	Shares in subsidiary £	Shares in trade investments £	Total £
Company			
Cost or valuation:			
At 1 April 2021	1	-	1
Additions	-	2,999,930	2,999,930
Revaluation gains	-	72,928	72,928
Other movements	-	532	532
At 31 March 2022	<u>1</u>	<u>3,073,390</u>	<u>3,073,391</u>

All shares in trade investments relate to listed investments.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

17. Fixed asset investments (cont'd)

Investments in subsidiaries 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 £30,957,844 (2021: £30,680,045), expenditure of £30,358,413 (2021: £30,148,700) and made a profit after tax of £599,431 (2021: £531,345). At the end of the year, Turning Point Scotland Services Limited had assets of £3,517,717 (2021: £3,611,365), liabilities of £2,900,491 (2021: £3,062,225) and capital and reserves of £617,266 (2021: £549,141).

18. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	4,306,671	4,051,570	1,090,812	949,992
Amounts due from group undertakings	-	-	2,074,449	2,301,108
Other debtors	143,795	173,049	143,795	173,049
Prepayments	217,725	205,456	217,725	205,456
	<u>4,668,191</u>	<u>4,430,075</u>	<u>3,526,781</u>	<u>3,629,605</u>

19. Cash at bank and in hand

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank	6,156,497	7,312,679	5,854,639	6,802,891
Bank accounts held in trust	1,902,280	1,937,349	1,902,280	1,937,349
	<u>8,058,777</u>	<u>9,250,028</u>	<u>7,756,919</u>	<u>8,740,240</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

20. Creditors: amounts falling due within one year	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	589,121	344,108	589,121	344,108
Taxation and social security	1,766,477	1,246,600	1,110,160	498,646
Pensions	183,206	179,416	183,206	179,416
Other creditors	450,363	89,546	450,363	89,546
Creditor in respect of bank accounts held in trust	1,902,280	1,937,349	1,902,280	1,937,349
Accruals	683,268	468,335	513,543	455,172
Deferred income	7,248	506,408	7,248	506,408
	<u>5,581,963</u>	<u>4,771,762</u>	<u>4,755,921</u>	<u>4,010,645</u>

The bank holds a bond of floating charge over the whole assets of the company.

Movements in deferred income are analysed as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
At 1 April	506,408	2,606	506,408	2,606
Deferred during the year	7,248	506,408	7,248	506,408
Less: released in year	(506,408)	(2,606)	(506,408)	(2,606)
At 31 March	<u>7,248</u>	<u>506,408</u>	<u>7,248</u>	<u>506,408</u>

21. Provisions

Group and Company	2022 £	2021 £
Defined benefit pension scheme – past service deficit contributions (note 26)	<u>4,343,000</u>	<u>4,464,000</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

22. Reserves

	At 1 April 2021	Transfer to unrestricted funds	Retained for year	At 31 March 2022
Group	£	£	£	£
Restricted development reserves	313,374	-	(140,827)	172,547

Unrestricted funds	At 1 April 2021 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2022 £
General development reserve	5,761,983	-	371,541	1,344	6,134,868
<i>Designated reserves</i>					
Maintenance	584,552	-	39,695	-	624,247
Fundraising	143,462	-	21,795	-	165,257
Capital	486,318	-	-	(1,344)	484,974
Service development	1,220,371	-	1,138,849	-	2,359,220
Revaluations	570,505	-	572,279	-	1,142,784
	8,767,191	-	2,144,159	-	10,911,350

Comparative year	At 1 April 2020	Transfer to unrestricted funds	Retained for year	At 31 March 2021
Group	£	£	£	£
Restricted development reserves	150,435	-	162,939	313,374

Unrestricted funds	At 1 April 2020 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2021 £
General development reserve	3,975,086	-	499,089	1,287,808	5,761,983
<i>Designated reserves</i>					
Maintenance	479,512	-	105,040	-	584,552
Fundraising	135,115	-	8,347	-	143,462
Capital	487,662	-	-	(1,344)	486,318
Service development	1,466,746	-	1,023,422	(1,269,797)	1,220,371
Revaluations	587,172	-	-	(16,667)	570,505
	7,131,293	-	1,635,898	-	8,767,191

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

22. Reserves (continued)

Company	At 1 April 2021 £	Transfer to unrestricted funds £	Retained for year £		At 31 March 2022 £
Restricted development reserves	313,374	-	(140,827)		172,547
	At 1 April 2021 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2022 £
Unrestricted funds					
General development reserve	5,212,842	-	303,456	1,344	5,517,642
<i>Designated reserves</i>					
Maintenance	584,552	-	39,695	-	624,247
Fundraising	143,462	-	21,795	-	165,257
Capital	486,318	-	-	(1,344)	484,974
Service development	1,220,372	-	1,138,849	-	2,359,221
Revaluations	570,505	-	572,279	-	1,142,784
	8,218,051	-	2,076,074	-	10,294,125

Comparative year:

Company	At 1 April 2020 £	Transfer to unrestricted funds £	Retained for year £		At 31 March 2021 £
Restricted development reserves	150,435	-	162,939		313,374
	At 1 April 2020 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2021 £
Unrestricted funds					
General development reserve	3,430,639	-	494,395	1,287,808	5,212,842
<i>Designated reserves</i>					
Maintenance	479,512	-	105,040	-	584,552
Fundraising	135,115	-	8,347	-	143,462
Capital	487,662	-	-	(1,344)	486,318
Service development	1,466,746	-	1,023,423	(1,269,797)	1,220,372
Revaluations	587,172	-	-	(16,667)	570,505
	6,586,846	-	1,631,205	-	8,218,051

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

22. Reserves (continued)

Restricted development reserves: represent the surplus arising on restricted income.

Included within restricted funds are the following amounts:

- £22,000 from Aberdeen Alcohol Support Services to be spent in Aberdeen on supporting people with substance use issues.
- £40,000 received as a donation to be spent on substance misuse services in Glasgow.
- £140,827 received from the CORRA Foundation for the running of the Overdose Response Team Services

Unrestricted reserves: Reserves that can be used for the furtherance of the Charities purpose. These reserves are split into two different categories.

General Development Reserves – Total charity funds less total restricted funds less designated reserves. The general development reserves are to be used:

- as a short term source of internal funds for situations such as a loss in funding or unplanned deficits where services have no service development reserves and one-off unexpected events.
- as a safeguard against future pension liability risk.
- to fund company strategic developments as agreed with the Board.

Designated Reserves – Reserves set aside to meet specific future spending.

Included within designated reserves are:

Service Development Reserves – Reserves held against specific TPS services to meet possible shortfalls in funding and to develop the service.

Maintenance Reserves – The company owns a number of properties for which they claim Housing Benefit. This reserve is the cumulative amount that is claimed through Housing Benefit for future capital expenditure and maintenance during the lifetime of the house.

Fund Raised Reserves – Reserves brought about by fundraising activities.

Capital Reserves – When certain properties were purchased by TPS contributions were received from external funders. These contributions will need to be repaid if the properties are sold within a set time frame. If they are not sold in that timeframe the reserves will be transferred to General Development Reserves.

Revaluation Reserves – The cumulative balance of property revaluations less amounts that have been amortised.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2022

23. Allocation of net assets between funds

	Unrestricted £	Restricted £	2022 Total £
Group			
Fixed assets	8,281,892	-	8,281,892
Net current assets	6,972,459	172,546	7,145,005
Provisions	(4,343,000)	-	(4,343,000)
	<u>10,911,351</u>	<u>172,546</u>	<u>11,083,897</u>
Company			
Fixed assets	8,281,893	-	8,281,893
Net current assets	6,355,233	172,546	6,527,779
Provisions	(4,343,000)	-	(4,343,000)
	<u>10,294,126</u>	<u>172,546</u>	<u>10,466,672</u>

24. Operating leases

Group and Company

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

	2022 £	2021 £
Operating leases which expire:		
Not later than one year	831,642	814,660
Later than one year and not later than five years	257,842	251,553
Later than five years	580,144	565,933
	<u>1,669,628</u>	<u>1,632,146</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 2022

26. Pensions

Turning Point Scotland participates in the Turning Point Pension Scheme, a defined benefit scheme covering more than one employer.

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 – 3.4%
Rate used to discount scheme liabilities	2.1 – 3.1%

The assets and liabilities of the scheme as valued at the last triennial review at 31 March 2019 were:

	£
Assets	100,000,000
Liabilities	135,000,000
Deficit	35,000,000

Following the 31 March 2019 triennial review, the recovery plan was updated. Under the recovery plan, Turning Point Scotland is required to make annual payments of £338,000 from 1st July 2020 to 30th June 2023. Annual contributions will then increase in line with Retail Price Inflation until 31 March 2033.

During the year ended 31 March 2022, payments of £343,000 (2021: £360,000) 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 £4,343,000.

	2022 £	2021 £
Past service deficit repayment liability		
Provisions at 1 April	4,464,000	4,592,000
Unwinding of the discount factor (interest charge)	5,000	111,000
Deficit contributions paid	(343,000)	(360,000)
Remeasurements – impact of any change in assumptions	(12,000)	121,000
Experience gain	229,000	-
Provision at 31 March	<u>4,343,000</u>	<u>4,464,000</u>

	2022 £	2021 £
Liability is due to be paid as:-		
Due within one year	367,000	342,000
Due within one to two years	379,000	350,000
Due within two to five years	1,179,000	1,094,000
Due in more than five years	2,418,000	2,678,000
	<u>4,343,000</u>	<u>4,464,000</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

There were no capital commitments at 31 March 2022 or 31 March 2021.

	2022	2021
Group	£	£
Net income	2,003,332	1,798,837
Revaluation of fixed assets	(572,278)	-
Bank interest received	(2)	(5,500)
Dividends received	(464)	-
Depreciation of tangible fixed assets	-	113,387
Decrease in debtors	(238,116)	(203,354)
Increase in creditors	810,201	974,809
Decrease in provisions	(121,000)	(128,000)
Gain on revaluation of financial instruments	(73,460)	-
Net cash provided by operating activities	1,808,213	2,550,179

	2022	2021
Company	£	£
Net income	1,935,246	1,794,144
Revaluation of fixed assets	(572,278)	-
Bank interest received	(2)	(4,680)
Dividends received	(464)	-
Depreciation of tangible fixed assets	-	113,387
Decrease in debtors	102,824	(453,630)
Increase in creditors	745,277	1,005,699
Decrease in provisions	(121,000)	(128,000)
Gain on revaluation of financial instruments	(73,460)	-
Net cash provided by operating activities	2,016,143	2,326,920

	1 April 2021 £	Cash flows £	31 March 2022 £
Group			
Cash at bank and in hand	9,250,028	(1,191,251)	8,058,777

	1 April 2021 £	Cash flows £	31 March 2022 £
Company			
Cash at bank and in hand	8,740,240	(983,321)	7,756,919

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

30. Related party transactions

The trustees receive no remuneration for fulfilling their role as trustees. Total travel expenses of £nil (2021: £nil) were reimbursed to nil trustees (2021: nil 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 £30,233,582 (2021: £30,033,201) to its subsidiary in respect of these contracts. In addition, £115,382 (2021: £107,575) in payroll costs were recharged to the subsidiary for management services provided and Turning Point Scotland Services Limited invoiced Turning Point Scotland £180,338 (2021: £178,592) as a management fee and covenanted £526,652 (2021: £420,993) to Turning Point Scotland.

The amount due from Turning Point Scotland Services Limited at 31 March 2022 is £2,074,449 (2021: £2,301,108). The amounts outstanding are unsecured for cash settlement in accordance with usual terms.