

TURNING POINT SCOTLAND
Report and Consolidated Financial Statements
For the year ended 31 March 2023

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Charity No: SC028827
Company No: SC194639

TURNING POINT SCOTLAND

Report and Consolidated Financial Statements For the year ended 31 March 2023

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Company Information

Directors and Trustees

Paul McAuslan	Chair
Stephen Plummer	Vice Chair
Alison Bunce	
Graeme Cook	
Lorna Gibbs	
Patricia Cassidy	
Peter Gabbittas	
Marc Mazzucco	
Louise Smith	
Gary Brewer	Resigned 01/07/2023
Jennifer Thomson	

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
58 Morrison Street
Capital Square
Edinburgh
EH3 8BP

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report) for the year ended 31st March 2023

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 3 of the accounts and comply with the charity's trust deed.

Objectives and Activities of the Charity

Turning Point Scotland is a major Scottish Social Care provider with a proud history dating back to April 1999.

The primary focus of the organisation is to provide assistance to those in need and what sets us apart from many other providers is the range of services we specialise in. Whether those needs are generated by virtue of age, ill-health, disability, financial hardship or other disadvantage, we seek to provide services bespoke to the individual needs of those we support. As well as the provision of accommodation and care, the diversity of our approach includes community focused developments such as our citizenship programme and together, these combine to deliver effective support to counter disadvantage caused through homelessness, drug and/or alcohol use and involvement in the criminal justice system.

It is testament to the strength and resilience of Turning Point Scotland that not only did we continue to maintain our high standards during the testing Pandemic years of 2020 and 2021, we did so against a backdrop of reducing sector provision as other providers both voluntary and statutory closed their doors. Through successful leadership and effective management, we collectively navigated this generational challenge in a way that galvanized the fundamental purpose of the organisation and helped inspire our people to flourish in wickedly challenging circumstances.

In most crisis scenarios, an initial period of intensity is generally followed by a hangover phase allowing time for reflection and adjustment if not recovery. The enduring nature and extended time associated with the Pandemic afforded no such opportunity and in fact, eventually gave way to a more insidious reality fuelled by financial and demand led pressures across society but particularly prevalent within health and social care. On its own this would have been deeply concerning, but in the context of a social care sector, already assessed by the Independent Review of Adult Social Care in Scotland as in desperate need of reform and investment, it threatens wholesale sector failure.

In contrast to the post covid financial strictures and service capacity concerns, demand for many of the services we provide appears to be growing. Whilst it is unlikely that funding will stop for these services, many of which are statutory requirements, it does feel like an inflection point in terms of the way and extent to which they are delivered. Supporting people with learning disabilities as well as autism, early onset dementia and acquired brain injury has been a consistent feature of our provision and this will remain. It is clear however, that the level of choice and lifestyle amenities available are undoubtedly reducing. Supporting people with drug, alcohol or mental health problems, and people involved in the criminal justice system as well as those who are homeless also remain key elements of TPS provision. In each of these areas the inescapable prioritization that is taking place can be traced through to slower progress on stated ambitions and a reduced level of provision more generally.

Two key pressures have emerged as disproportionality problematic namely the consequences of an ever more challenging workforce environment and the extreme nature of utility costs. These have driven exceptional cost increases in residential based services and ones that include a more specialist staffing requirement where expensive agency options are the only way to sustain service commitments.

TPS is a 'not for profit' Voluntary 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. Our dependency on these sources of public funding undoubtedly carries risk and requires innovation, adaptability and a willingness to change in order to remain viable and sustainable.

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The Independent Review of Social Care in Scotland represented a welcomed analysis of the problems across the system together with a series of recommendations on how to correct them and move forward. From such a strong start, the pandemic undeniably interrupted progress but we now find ourselves in the midst of a genuine social care crisis with little or no progress against the well-articulated issues which now appear to be exacerbating problems. Commissioning and procurement arrangements, which were a key target of criticism and agreement for wholesale reform, has not moved at all yet is a key means by which local authorities are attempting to deliver savings. The work towards a new National Care Service, roundly criticized through its lifecycle for lack of clarity and detail, has now been delayed. This delay is a welcome chance to develop the thinking and secure broader understanding of how this aim is to be achieved and in the meantime, a new group has been established to try and maintain traction on necessary and more immediate change priorities. Following the joint statement of intent issued in December 2022, a National Improvement Steering Group, jointly chaired by COSLA, SOLACE and Scottish Government, was established. Commissioning has emerged as a key priority for this group yet no plans or proposals have yet emerged to give any confidence that further deterioration towards market failure in this sector can be averted.

TPS has been and will continue to be an active and constructive voice in the national debate on the future of social care. The need for a viable voluntary sector and providers of high quality, much needed services such as Turning Point Scotland has never been in less doubt. Our collective challenge now is to drive, help shape and inform meaningful change of the social care landscape whilst concurrently sustaining current service levels to prevent against emergent unmet needs.

Strategic Report Achievements and performance

This reporting period has, by any standard, been one of the toughest in living memory. This is important context from which the organisation's progress over the reporting period must be judged. As the country pivoted to break out of the exceptional pressures of a global Pandemic, Scottish Social Care drifted slowly but decisively into a new crisis. National providers found intensifying pressures across the diversity of provision. With the understandable pressure from various professional groups for enhanced pay agreements to offset exceptional cost of living rises, our staff saw themselves fall dramatically behind and with that, an implied lack of appreciation and value placed on the essential work they do. Despite a commitment to Fair Work in Social Care dating back to 2019, this year saw a rise to the minimum wage of just 3.8% taking it to £10.90 an hour. This is well below equivalent provider roles and egregiously out of step for a skilled workforce with challenging roles requiring professional qualification and constant high-risk activity, all within the boundaries of a highly regulated environment where, rightly, high expectations dictate the standards required. This leaves many of our colleagues experiencing in-work poverty whilst being asked to be grateful for an increase determined by the Living Wage Foundation as the minimum amount needed to 'get by'.

The highly publicised pay settlements in Scotland along with the value arguments for many others, have left social care workers with a deep sense of grievance. This for many has resulted in a choice to leave and for others has generated a demotivating sense of unfairness and lack of appreciation for what they do. This has been a central element of the staffing crisis in the sector.

Turning Point Scotland has sought to work nationally to advocate for better pay and has internally made investment and adjustments to relieve service pressures and maintain sustainable recruitment levels. To help counter some of the worst impacts of below inflation uplifts, TPS has also taken unusual steps in the last two years with creative pay uplift offers which has required drawdown from reserves. These gestures have been very well received by staff and have undoubtedly helped galvanize trust and some level of optimism, but clearly present a sustainability issue moving forward.

Absence rates are often a barometer of workforce health and figures are down from 16.8 (days lost) last year to 15.48. This is still higher than pre-pandemic levels, but figures show over the year that Covid accounted for 17% of the total absence so further reductions are a reasonable prediction. Turnover rates have seen significant fluctuations across the sector and TPS has not escaped the trend. However, the rate is down from its peak in 2022 of 32% to 25% in March 2023. This is still higher than previous years but around 5% better than the sector average. In terms of numbers, the twelve-month period saw us welcome 366 new colleagues to TPS. So, we have demonstrated effective success in responding to the crisis through targeted recruitment activity. Beyond targeting, process improvement to address the known reasons for applicants dropping off has also demonstrated meaningful gains. With a focused effort to minimize delay within the system we have seen a 50% reduction in candidate withdrawal after a conditional offer was made. The area of ongoing concern is the retention of staff colleagues as the crisis deepens.

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Workforce stability figures highlight a further facet of the crisis which requires careful handling. A dramatic change has taken place driven by sector churn, whereby a quarter of the national workforce has less than 1 years' experience in social care. With experience increasingly leaving the sector altogether, recruitment is being targeted around unrelated sectors leaving a significant experience deficit which is disguised within the raw figures. TPS in comparison remains relatively stable but significant changes have also happened here with our average service length of four years or more dropping from 88.5% in 2021 to 51% in 2023.

Whilst cost pressures have impacted across the country, two primary areas have presented a disproportionate challenge for TPS. Utility and agency costs, whilst not universally concerning, have impacted some services very badly. This has collectively generated additional costs amounting to 300% (£824,828) and 185% (£525,066) respectively. Despite these pressures, through tight budget management and effective control, TPS again returned a modest growth over the period amounting to 9.56% in charitable activity income. In line with previously reported efforts to reduce the number of unresolved deficit budgets in relation to individual services, this work has continued throughout this reporting period. Through a blend of central support and guidance but in the context of a devolved framework for decision making, the overall number of deficit budgets stayed the same as last year at 8. Closer analysis, however, shows that 5 of the deficit budgets related to our residential services that were put under severe financial strain due to the large increases in utility prices. With no additional funding, these costs had to be borne by the company leaving an underlying trend of a falling number of services operating in the year with an unresolved budget deficit.

As ever, the commissioning landscape remains complicated and despite universal recognition of its imperfection as a mechanism for allocating work, it remains a principle tool as public funding pressure increases. This reporting year has seen a mix of new work, contract extensions, exceptional funding bids and tendering for existing contracts. The headline result in terms of new contracts where bids were made is 66% success. We have also secured renewed contracts on vital services such as the North Ayrshire Prevention, Early Intervention and Recovery Service. The year also demanded some disconcerting and saddening choices. This included the decision not to bid for a continuation of the Aberdeenshire Substance use Support, Engagement and Treatment Service. When cost reduction drives changes to the extent we no longer feel the appropriate quality of provision can be delivered that accords with our established values and outcome experience, we will elect to withdraw but this remains one of the hardest options to handle and disconcerting for staff.

Whilst much of the year has involved managing the consequences of retraction and reduced funding, TPS has also been attentive to forward innovation and development needs. The independent Indigo House evaluation of overdose response activity, proposed, piloted and championed by Turning Point Scotland, has aided a broader recognition of its value. We now see a growing number of Local Authorities mainstreaming this work. Beyond tendering opportunities that this presents for TPS, the broader strategic ambitions to help influence and shape future provision is well evidenced through this area of undoubted success and shows our role in developing solutions which are now independently validated for saving lives.

A further example of innovative drive is the newly formed partnership with Fife Council. Drawing on our experience and credibility of pioneering Housing First in Scotland, a relationship was formed with Fife. As a new Authority area for TPS, we sought to pilot an innovative whole systems approach to assist the Authority with their homelessness needs. In this jointly funded approach, we aim to demonstrate a new and effective way of working which ensures people who are experiencing homelessness and have complex needs are supported directly into a permanent tenancy. Drawing on inputs from across the public service system, this pilot aims to coordinate and integrate activity to harness work around a shared goal and in so doing place a practical emphasis on prevention.

It is also important to emphasise other significant milestones that have come to fruition over the last 12 months. In August 2022, Hera Grange in Dumfries was formally opened. This facility has been a long running partnership endeavour consisting of 11 bungalows, a staff and resident activity hub as well as integrated carezap technology and was developed in partnership with Dumfries and Galloway Health and Social Care Partnership and Loreburn Housing Association. As a key provider in the Dumfries area for adults with learning disabilities, TPS has again sought to help drive creative solutions that address the challenges of today whilst also catering for the needs of tomorrow. Acutely aware of the challenges of service provision in geographically dispersed areas, this modern facility allows people with complex disability to be afforded quality housing with their own tenancy and integrates assistive technology to enhance their experience and wellbeing without intrusion.

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Strategy

The success associated with the progress made against our 2018-2021 strategy was a clear factor in equipping Turning Point Scotland for the rigors of the Pandemic. Beyond the outcome delivery on strategic ambitions, the broader experience aided common understanding, familiarity with process, enhanced communications and a sharing of tasks to distribute the load whilst including and involving all staff in a sense of shared purpose. The decision to delay formation of another full strategy in favour of a transition one was rooted in the belief that the uncertainty and limited predictability of a rapidly changing environment would hinder its effectiveness. It was also taken mindful of resource constraints and general fatigue which was an inescapable issue at that time.

The development of a transition Strategy was a reasoned compromise to recognise the extreme pressures all staff had been and still were experiencing whilst at the same time, continue momentum on the outstanding results from the 2018-2021 work.

The transition strategy enabled ongoing focus on priority areas and a means by which to maintain momentum on longer term ambitions like digital transformation, citizenship and the ongoing development of whole system care models. It was agreed, however, that transition arrangements should be deliberately temporary. The turbulence and uncertainty behind the reason for pause has in fact not abated but given way to further destabilising factors and more fundamental question over the model of health and social care delivery in Scotland. Against this reality, a strategic roadmap providing clarity, direction, agility and a keen focus on risk mitigation becomes a crucially important asset.

The extended nature of the consultation and strategic build process associated with the 2018-2021 plan was integral to its success. This has been validated not only in our Covid experience but in the IIP accreditation process and as such was an approach we were keen to repeat for the next iteration. This process doubled as a mechanism for post Pandemic healing where staff colleagues were able to contribute thoughts, experiences and preferences to help shape the organization's priorities over the next few years.

There can be little doubt that social care in Scotland sits on a precarious ledge of uncertainty. The issues, obstacles and challenges have been well documented, analysed and debated with what amounts to common consensus on the need for fundamental change. The nature and extent of that change is far from clear with continual delays to National Care Service plans and remedial groups constantly diverted by more pressing primary care crisis. Against such a backdrop, seeking to shape outcomes through evidence and influence whilst remaining as agile as possible emerge as key strategic requirements.

The length of strategic term has also been an issue of debate whereupon a slightly longer 5-year term has been agreed upon. This has been arrived at for a mix of practical as well as slightly more symbolic reasons. Whilst we remain in the grip of a staffing crisis extending across the whole of Scottish Social Care, an extended timeline is a useful way to remain ambitious whilst remaining proportionate in terms of resource allocation and implementation demands. In an apparent hangover from the crisis phase of Covid, a near sighted emphasis has become a common feature of stakeholder discussion and planning arrangements. To counter this and help extend horizons, a longer term is useful to generate broader perspectives and secure more substance and ambition through elongated planning cycles. A longer term is also helpful in terms of general stakeholder confidence. It signals to staff and stakeholders alike a commitment to long term success and instils a sense of stability and momentum.

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.

The Governance Team maintained 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 aimed to ensure they continually received robust formal internal and external training and proper introduction to the Governance documentation that is in place for Board members. We also continued to ensure that the Trustees, especially the newer members, felt they had sufficient training and support to really understand the organisation which would allow them to discharge their responsibilities effectively.

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Enhanced support for the Board of Trustees from the Governance Team continued this year, 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.

The Clinical and Care Governance Forum, an internal group within TPS, continued to operate 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 continued to operate and meets every 2 months 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. The Committee continued to provide and support 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.

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 wish lists 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.

A Health and Safety Governance Committee has been formed. The aim is that the Corporate Governance of Health and Safety, which can be described as that part of a company's corporate governance process by which the board will aid adequate direction and oversight of health and safety. Forming the Health and Safety Governance Committee seeks to enhance the relationship between members and the Exec Team in the safe leadership of an organisation by establishing structure through which the vision and commitment to safety is set, the means of attaining safety objectives are agreed, the framework for monitoring performance is established and compliance with legislation is ensured.

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. Thanks to this, we were successful in achieving the Good Governance Award for the second time.

Finance

The company's prudent approach around monitoring additional spend brought about by the pandemic, seeking sustainability funding where possible to meet this spend and looking at our core service delivery to ensure services were maintained has enabled the company to weather the pandemic of the last two years. In a time of renewed tendering the company has been able to retain existing services and win new business leading to an increase in turnover. Reserves and cashflow are in a strong position as we prepare for the period ahead. In the current economic climate there is uncertainty around funding levels as pressure on the public purse increase.

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The areas of concern highlighted last year came to fruition and continue into the next financial year. Utility prices hit the company as a whole but were especially burdensome on the residential services, with no additional funding available to meet these increased costs. The recruitment and retention crisis in the sector led to high levels of vacancies and spiralling agency costs. At the tail end of the year the company invested in recruitment and is beginning to see an improvement in this area.

HR

Covid taught us much about the importance of empowering, enabling and engaging colleagues in Social Care, not least that our colleagues are the heart of what we do and are key to ensuring that Turning Point Scotland continues to deliver outstanding care and support to the most vulnerable members of society. It is not only fitting but timely that our people were a core pillar of our outgoing strategy as the organisation and the wider social care sector faced exceptional and unprecedented challenges in terms of Recruitment and Retention which has left no organisation unaffected.

Turning Point Scotland aspires to be an organisation that creates and promotes an environment which allows all of our employees to flourish and achieve their full potential for the benefit of the people we support, themselves, and the organisation and our interim Investors In People report reflects the work we have undertaken to not only achieve but ensure we are on track to maintain our Investors In People Platinum Accreditation whilst tackling the unprecedented challenges facing the sector.

The Interim report rightly highlights that 'This is an organisation where people feel valued' and this has formed the bedrock of our unique response to the crisis in Social Care by allowing us to invest in our Recruitment and Retention efforts and putting our values front and centre as we continued to imbed and expand our approach to offering roles in Social Care not just as a job but as a career driven by values and reflective practice.

We have worked diligently to develop our roles at all levels across the organisation, providing opportunities to develop the skills and capabilities needed to be successful, and empower people to progress in their careers with a focus on service users and innovation. We work hard to continuously highlight and promote the opportunities for personal, professional growth and development available all across the organisation internally and also as a recruitment tool to attract, retain and inspire individuals to view Turning Point Scotland as a good employer externally. These efforts have resulted in a marked improvement of colleagues developing and progressing internally which evidences the powerful impact that our efforts have had to date.

At a national level we continue to highlight inequality and workforce development issues as 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 and with other external bodies and groups such as, The Feeley Report Fairwork Work Streams, The Sectoral Bargaining development group, the HR Voluntary Sector Forum (the Chartered Institute of Professional development) and the SSSC and PVG liaison Committee.

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 but also to promote the principles of 'Fair Work', ensuring that colleagues get a 'Fair Voice' and have the ability to affect real change not only across the organisation but to enable them to contribute to shaping an ever changing sector. This inclusive approach has secured better buy in from colleagues as they experience increasing opportunities to shape not only the service the work in but also the society they live in.

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Information and Communications Technology

The last 12 months have been a year of consolidation and improvement across our IT estate.

The department has continued to develop and secure the companies IT systems to ensure that we are prepared for the increasing cyber threats. As a testimony to our security, we have been accredited with the Scottish Government backed 'Cyber Essentials' certification, an accolade that is becoming an increasing recommended standard during most tender processes. We have introduced secure file transfer systems into our finance systems and this ensures full security of data passing to the bank as well as strengthening our business continuity processes. We work continually with other departments to enhance their processes and this has included a review of technology for Health & Safety including AID system upgrades and lone working improvements. We have assisted comms with the roll out of digital solutions for day to day working for staff across the company and work continually with the Governance Team and DPO to ensure data security and retention across all our systems is compliant.

We continue to develop the use and engagement of the Microsoft cloud based O365 for communication and collaboration and will be developing this further over the coming 12 months in key areas of security and data protection. We have also spent a good portion of the year reviewing our systems and processes, documenting these and making improvements to these and reflecting these in our updated policies and procedures.

Ongoing system upgrades continue to roll out across all our sites including broadband to fibre and hosted telephony and the introduction of Windows 11 into our network. We work continually with services to try to determine digital solutions that allow staff to work more efficiently whilst out in the community using solutions including mobile apps and tablets.

Service Provision

As at 31st March 2023, we provided 48 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 strategic strapline 'because people matter'.

The organisation supported 7546 individuals between 1st April 2022 and 31st March 2023, not including needle exchange and drop-in. This represents a decrease of 6.8% fewer individuals than the previous year (8095 in 2021/2022). This year there were 7009 referrals received, 3796 assessments and 7956 programmes of support provided.

We had 1,211 contracted employees and 183 relief workers in post on the 31st of March 2023.

Staff training and development

Throughout this period, the Training and Development Team have continued to work in a hybrid format to deliver a variety of ways of working and learning in different environments across Turning Point Scotland. We have moved back to a fuller face-to-face calendar during 2022-23, with the first calendars successfully running throughout this year since 2020, as well as continuing to build on our digital offerings with training available via Zoom, MS Teams and our e-learning platform.

Internal training development and delivery remains a consistently high priority and investment within TPS, which is reflected in the continued growth and investment in the team. We have continued to offer training across both face-to-face and digital learning environments to provide flexibility and a variety of learning styles to our staff, whilst also trying to support their learning during a period of difficulty in recruitment across the whole of the social care sector.

We have developed a number of courses aimed at supporting our existing managers and those keen for leadership development. Alongside this, we have worked on a course for all staff on effective Recording and Reporting, a fully redeveloped course on Equality and Diversity and an e-learning for staff joining TPS or moving to work in our Forensic services. In this period, we delivered 235 face-to-face courses, 131 virtual trainings and also had more than 5600 completions of courses on our e-learning platform.

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Internally we have worked with the HR department to introduce 10 new e-learning courses based on HR Policy which will replace their digital delivery and allow staff to access this information both during the induction and period of engagement and as ongoing learning throughout their career progression in TPS. We have also continued to work closely with our external delivery partners such as NHS/NES, Scottish Drugs Forum (SDF) and ACT who deliver our inputs on CBT, Attachment Theory and 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. We are now represented on all of the operational Forums allowing us to respond to emerging service needs around Learning and Development. Members of the team have also been involved in several working groups including on TPS' approach to being more psychologically informed and in a group reviewing and updating TPS' risk assessment protocols and procedures.

We have undertaken a Learning Needs Analysis with the Homelessness Forum to look at the core training needs of staff in our Housing Support, Housing First and Homelessness services, many of which are now being rolled out. We have also completed a competency-based Learning Needs Analysis with the Justice Forum and are undertaking this exercise with the Learning Disability Forum in 2023-24. Our Alcohol and Other Drugs services have developed their own evidence-based competency framework and the Training Manager has been working with the Head of Service and AOD Worker to review this and understand the learning needs of these services to see how we can best support these going forward.

The team have also continued to deliver on and work with Heads of Service to be part of the induction of new services, including the various ORT services working as a test of change from the Scottish Government Drug Death Taskforce, the South Lanarkshire Reachout Service, Mobile Harm Reduction Service and in the establishment of the new teams for the Stabilisation (Glasgow Alcohol and Drugs Recovery Residential Stabilisation Service) and Crisis Services (Glasgow Alcohol and Drugs Crisis Service). We have also continued to deliver on quarterly Corporate Inductions held via Zoom, allowing staff across all of Scotland to receive input from TPS senior management and key departments.

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 a high intake of 98 SVQ candidates during 2022-23.

During 2022-23, the Training Manager has also been working with the Head of Clinical and Care Governance to look at how best to support clinical staff working with TPS to achieve required qualifications and validations for their roles going forward. This will include the new Healthcare Practitioner roles in our Mobile Harm Reduction Unit and professional development for our existing nursing staff funded via the central training budget for the first time in 2023-24.

In the latter part of 2022-23, the Training Manager has also been involved in both the senior management team and the strategic leadership groups and several workstreams and priorities have been identified in the plans for the next TPS strategy involving Learning and Development. These will include working on the Digital Skills of our staff, including the introduction of a new Learning Management System for TPS, and a renewed focus on our Management Training and Leadership Development Programmes to support ongoing retention and development of our existing staff, whilst supporting our goals around recruitment as an employer of choice in social care in Scotland.

People We Support

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

South Lanarkshire Alcohol & Other Drugs Reachout Service

"Sarah" was referred to Reachout after concerns regarding her safety and well-being due to her polysubstance use and chaotic lifestyle. Sarah wasn't engaging with any services at the time of referral and didn't seem interested in services or what they had to offer.

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Sarah had issues surrounding her substance use throughout her life but these issues were heightened due to finding her partner deceased from an illicit drug overdose in their shared bed this caused her to rely on substances as a way to cope. As Sarah's substance use increased she stopped accessing and engaging with services and the decision was taken to refer Sarah to Reachout for some support and help her re-engage with services.

The team outreached Sarah the day after the referral was received but got no reply, although the team suspected someone was at home, so a free phone card was left along with a note to say attempted call which went unanswered. The same pattern followed over a few days with no contact made but the team believed Sarah was at home on a number of these visits. Finally, around 11 days after the first outreach attempt Sarah made contact via text message and agreed to a telephone call the following day. After a lengthy chat with the team over the telephone, Sarah finally agreed to the team outreaching to her home address.

The first couple of visits consisted mostly of safeguarding and harm reduction advice as well as some overdose awareness information. The team allowed Sarah to take the lead during the meeting by taking a person-centred approach as Sarah was still heavily reliant on substances at this time and was struggling to retain information. The team continued with these visits, building a relationship and taking the support at Sarah's pace.

About 4 weeks after the initial referral was received Sarah began to open up to the idea of support and started her first meaningful engagement with the service. She began to speak about how she was feeling and discussed the support she required, where she wanted to be and how we could help support her to get there.

Over the next few months, Sarah's engagement with the service was sporadic but she seemed to take comfort in the fact that there were no expectations put on her by the service knowing that the team were always there for her. This approach helped build up a trusting relationship which became the foundation for Sarah to begin to start addressing her substance use. This approach and support allowed her to start setting goals for the future.

The team supported Sarah to begin reengaging with her CARES worker which then led to her beginning a home detox plan. Sarah's engagement with services became more regular and meaningful with support from Reachout and she was now at a stage where she was attending both her CARES appointments and her pharmacy to pick up her medication.

Due to the positive relationship Sarah had with the team, she felt she could share information regarding her detox and the fact that she had been topping up. She sought advice from the team who supported her to have an honest conversation with her Doctor and her CARES worker resulting in her detox medication being altered so that Sarah had the best chance of success.

The team let Sarah know about community recovery initiatives available to her and supported her to engage with the ones of her choosing. By this time Sarah was doing well and was fully engaging with both CARES and recovery services and started having conversations about the next steps etc.

During these discussions, the team spoke to Sarah about the SDF Living experience group which she seemed keen to be involved in and so the team supported her to access this and she regularly attended the group.

The team continued to engage with Sarah until her community detox was complete by which time the team had been working with Sarah for 7 months. Sarah was now ready to move on from the Reachout service as she was now stable on her MAT, Engaging with services and active within her recovery.

At the time of closing Sarah's referral, she was looking to embark on her SVQ in Social Care through SDF and had regained her focus and sense of purpose. Sarah knows that if, in future, she needs the service again she need only pick up the telephone.

CAREs – Community addiction recovery service.

SDF- Scottish drugs forum

SDF Living experience group – A group for people with living experience to attend to have their voices heard and to influence change.

MAT- Medically assisted treatment.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Glasgow Mental Health and Huntington's Service

We support a young female whom we shall call J. J is a survivor of child sexual abuse which resulted in her abuser being incarcerated for a long period of time. J was having some excessive intimate bleeding and pain but she was refusing to go to the doctor for an examination due to her previous trauma. This resulted in her self-harming significantly for periods of time. Due to the seriousness of the situation I knew I needed to work with J to get her to see the doctor.

I started off by explaining how important it was and how I understood her fears and anxieties regarding her past and why this would re-traumatise her. It was agreed to embark on the first step by making an appointment with the doctor with the promise that no examination would take place. Staff had to do the preparation work with the GP beforehand to ensure that they were fully briefed on the situation. This went well and the doctor provided us with different options for tests and locations to find the best action for J. After discussing the options J agreed that she would attend the clinic to have a smear test done on the condition that there would only be females present in the room. We made an appointment for the following week and got the last appointment of the day to allow for more time if needed.

On the day of the appointment, J was very anxious. Prior to her appointment I had called her GP and requested diazepam for the day of the procedure which they agreed to which helped ease some of J's anxiety. We went for a drive beforehand and we spoke about the importance of the test and if all was clear she would not need a repeat smear for another five years and if there was an issue then we would deal with it as required. We did grounding techniques and breathing on the way.

When we arrived, J was visibly upset. She was assured that at any point she wanted it to stop then they would immediately. J had requested that I came into the room with her for the procedure which I did. With some gentle persuasion and reassurance, she was able to undress to go ahead with the procedure. There was a time throughout where she panicked and due to the relationship we had built up I was able to sing a song to her that got her through the remainder of the procedure.

Afterwards, J was emotional and we had some quiet time to allow her to process the procedure. J then expressed how proud of herself she was and I told her that I was extremely proud of her as well for what she had overcome. The appointment was made on a day that I was on sleepover this was to allow me to be available for the rest of the day for additional support if needed as due to the sensitive nature of the procedure J was not comfortable talking to lots of different staff members.

After receiving the results, it was requested that J required a colposcopy which I supported her through. Due to the courage and confidence she had gained through the first appointment J was able to go ahead with this.

J thanked me and stated that had it not been for her support she would not have been able to go through with the test. I thanked her for trusting me to support her through it.

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.

In September 2022 a 2-day TPS Connects conference for people supported in learning disability services was held in the Golden Jubilee Conference Hotel in Clydebank. The conference was planned and delivered by a committee of people who receive learning disability support. They took responsibility for choosing the workshop topics, introducing presentations in the auditorium, delivering some of the presentations, staffing the reception desk, taking the microphone round in the auditorium and choosing the evening menu and entertainment. 150 people attended the conference over the 2 days; feedback about it was very positive with a few suggestions of improvements for the next one which will be held in May 2024.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

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 members but of the objectives 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 environmental impact in all our activities. As an organisation with community-based services, we recognise and understand the importance of our services being embedded within local communities. We continue 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.

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 Information and Consultation of Employees (ICE) regulations and encourages all colleagues to take part and make Turning Point Scotland a good place to work.

This year has seen positive steps taken to continue to involve and engage our employees at all levels of the organisation via our dual channels. Our People Matter Forum (Staff elected representative body) has seen a new chair and members elected bringing a fresh sense of energy to the group and new thoughts, ideas and contributions from our colleagues about issues and opportunities which impact on them and our recognized Trade Union has worked with us to highlight and campaign about sector specific issues at a national level.

People with Disabilities

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.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

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.

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. Indeed, our Carer Positive accreditation at 'Established' level demonstrates that we recognise the impact that disabilities can have on our workforce by virtue of the people they live with and we work hard to support our colleagues in and out of the workplace because we value the positive contribution they can make.

Strategic Direction

The extended consultation process used to inform the TPS strategic direction for 2023-2028 provided a rich source of clarity. Given the increased staff turnover rates reflecting the national trends, it was reassuring to experience strong commitment to the process. The initial questionnaire secured returns from a quarter of the workforce and every member of staff was given several opportunities to contribute in a range of discussion and information gathering events. These sessions uncovered considerable consistency of view and a consensus position on some of the key questions for the future. Staff reflected a strong sense of ownership of the TPS vision and mission and an equally strong desire to retain much of the previous content which colleagues expressed a powerful affinity with. As a consequence of these sessions, only minor changes of emphasis and wording were incorporated in the new defining elements of the strategy.

A significant addition on the new strategy was a development of the old strapline 'because people matter'. As a guiding phrase to reflect the emotional ethos of all staff, this was shown to have resonated with colleagues and embraced as a true reflection of what inspired and motivated colleagues through a particularly challenging period of time. A strong desire to retain this was evident but with the added strength of a descriptive statement to help bring to life a form of statement of intent and commitment.

The external factors, market conditions and environmental social care pressures represent a far more challenging landscape to anticipate. A shortage of public funding has driven budget reductions in all local authority areas. With the vast majority of TPS funding coming from commissioned work, the practical effects have been a continuing heavy reliance on tendering, despite the acknowledged issues with such an approach, service reviews and strict contract compliance all with a view to shore up council budget shortfalls. The budget announcement in December 2022 delivered a meager uplift for social care which was massively overshadowed by that given to NHS colleagues, driving the differentials to the largest they have ever been. This decision also breached a previous commitment to maintain differentials with the real living wage all of which exacerbated operating conditions across social care with little likelihood of any financial respite for the foreseeable future. Also within the budget was a significant omission to recognise wider cost pressures within the sector. This forced many providers into staged withdrawal or the use of available reserves, clearly an unsustainable position. In response to the budget announcement, the umbrella body CCPS wrote a joint letter, to which TPS was a co-signatory, setting out that without immediate intervention, there will not be a sustainable third sector to deliver government aspirations.

Against this sobering context, the strategic direction for the current and next business cycles must be deliberately cautious but will now be set within a 5 year extended time frame in order to facilitate a higher level of ambition. Maintaining market share and divesting services which are unsustainable or unduly financially burdensome must be a primary focus. A period of consolidation and contraction, whilst not inevitable, is highly likely in the short term. In planning terms, the timing of when to transition from such a phase to one based around growth within a new and altered social care market, will be a key consideration. Retaining critical mass to sustain the diverse range of services TPS is known for, whilst holding firm on the quality standards and requirements to deliver the manner of services we assess to be in line with our values is a critical challenge. Increased competition, driven by commissioning activity and ever increasing provider anxiety, is likely building in a fragility in terms of sustainability and an inherent reduction in provision and quality standards.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

To resist these environmental pressures and prevail through the worst of this cycle, providers will require to balance effective business prudence with innovative development. Finding ways to assist and contribute towards delivery solutions and leading by example in terms of openness to change will be a defining feature of those providers that are able to weather the current storm.

Despite the tenuous condition of Scottish social care currently, Turning Point Scotland has a strong base from which to navigate. Continuing the development trajectory of existing unique deliverables and skill sets will be an immediate priority. As a recognised key provider for forensic learning disability considerable scope remains to expand and develop market share here. Past investment has secured strong delivery performance in the drug and alcohol sector. With the obdurate nature of drug deaths in Scotland, this remains a priority for government and as such, an area for continued opportunity. A further consequence of economic downturn is a concerning growth in homelessness. With homelessness being a statutory responsibility and as a long standing contributor within this sector, TPS remains well placed to help progress the thinking and play a role in advancing sustainable support options.

We aim to proceed maintaining a low – moderate risk appetite allocating resources to initiatives that have undergone thorough assessment and show strong potential for positive impact. We will foster a collaborative environment that encourages diverse perspectives, cross-functional collaboration, and the exchange of ideas, enabling us to strike the right balance between prudence and creativity. Through this strategic direction, we aim to capitalize on opportunities while managing risks effectively, ensuring the organisation's stability, resilience and sustainable growth. We believe such an approach will position us to stay ahead in a rapidly evolving marketplace, adapt to change, and deliver sustained high quality services for those we support.

Monitoring Performance

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:** A new strategy is being launched in 2023/2024. The previous strategy was presented to the Executive Team and the Board.
4. **Audit & Quality Processes:** TPS has well established internal audit and quality systems. In addition to regular local audit an annual centrally Service Practice Audit is undertaken by management and overseen by the Quality and Audit Manager. 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. Where required re-audits take place to monitor progress around improvement activity being undertaken.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Regulation

We had 38 services registered with the Care Inspectorate (CI) during the period 1st April 2022 to 31st March 2023 and 2 of these services are joint registrations with Healthcare Improvement Scotland (HIS). We have 11 services that currently do not require registration.

There were 2 CI inspections carried out (Prestwick Service and Glasgow Mental Health & Huntington's service), both receiving all 5's for the areas inspected. We had no HIS inspections during this period.

We have no services that are high risk but we expect inspections to return to a similar frequency pre Covid in the coming year.

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

		2022/23 kWh		2021/22 kWh
<i>Energy consumption</i>		<u>4,227,410</u>		<u>4,209,078</u>
<i>Emissions of CO2 equivalent</i>	<i>Metric tonnes</i>	<i>Metric tonnes</i>	<i>Metric tonnes</i>	<i>Metric tonnes</i>
Scope 1 – direct emissions				
- Gas combustion	492.55		478.04	
- Fuel consumed for owned transport	20.25		49.02	
		<u>512.80</u>		<u>527.06</u>
Scope 2 – indirect emissions				
- Electricity purchased		176.72		194.12
Scope 3 – other indirect emissions				
- Business travel in employee-owned vehicles		<u>142.32</u>		<u>119.29</u>
Total gross emissions		<u>831.84</u>		<u>840.48</u>
Intensity ratio				
Tonnes CO2e per £m annual revenue		<u>19.06</u>		<u>20.94</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.

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 staff body which looks at environmental and sustainability initiatives that we can implement within the organisation is still in place. We have begun to move non-half hourly meters over to smart meters where we can to gain further insights into consumption patterns.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

External Accreditation & Recognition

Human Resources Awards

This year saw the 'people' element of our work be recognised through a number of external award nominations and high-ranking placement in 3 shortlisted final categories of the 'HR Network Awards'. Attracting around 800 HR and people professionals and regarded as 'the' event in the HR calendar, the Awards recognise, acknowledge and reward the champions of the Scottish HR profession and are acknowledged as the pinnacle for the profession across all sectors of the economy.

Turning Point Scotland became the first 'Not for Profit' organisation in Scotland since the awards started 15 years ago to win an award in 2021 and in 2022 we started a trend by winning again. Traditionally winners of the awards have come from the private and public sector however this year Turning Point Scotland demonstrated that we continue to 'punch above our weight' as an employer in terms of the work that we do in partnership with our people

This year we were shortlisted as top 3 finalists in the category, HR Team of the Year, Recruitment and Attraction, and HR Director of the year. Our HR Team attended the award ceremony to celebrate our Head of HR, Kevin Staunton winning HR Director of the Year on the night. This win demonstrates Turning Point Scotland's continuous dedication to their staff, ensuring colleagues are rewarded and recognised for their hard work.

Aside from the HR Network awards, the organization and the department were shortlisted finalist for the S1 Jobs awards for the Best In-house Recruitment team and the HR Team of the Year for which we won a special commendation.

Both distinct award processes are judged and marked by esteemed HR Professionals in Scotland. It is a testament to the hard work and dedication of all the colleagues in Turning Point Scotland's HR Department that the work we do is externally acknowledged and recognised for being sector leading, recognising the dedication, ensuring colleagues are rewarded and recognised for their hard work.

Investors in People (IIP)

In 2021 we successfully achieved the prestigious Investors in People Platinum Accreditation. This year saw our interim report indicate that we are working hard to maintain our Platinum Accreditation and this is solely down to the hard work, dedication and values of our staff.

We were delighted to have achieved the IIP Platinum Accreditation and are affirmed that we are embracing the opportunity to better ourselves at a platinum level of accreditation.

Good Governance Award (April 2023 – April 2026)

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 re-awarded The Good Governance Award in March 2023 which covers a 3-year period.

The Future

Following the protracted Pandemic experience, TPS emerged in a strong position having successfully managed the uncertainty and demand pressures whilst still sustaining impressive forward momentum. The inevitable fallout from the global event, however, has now impacted decisively with reducing public funds, rapidly increasing living and organizational costs, an unprecedented spike in utility costs and constantly shifting priorities. Across a health and social care system which was pushed to breaking point we now see increasing disfunction as demands and backlogs continue to outpace available capacity.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Other component parts of a perfect storm for social care, are the long predicted and anticipated consequences of the many flaws in our current system, codified well within the Independent Review of Adult Social Care published in January 2021. These are now, in a predicted fashion, driving an unprecedented staffing crisis with growing numbers of people opting to leave the sector entirely. The reluctance to acknowledge the deterioration across social care coupled with an apparent inertia in progressive interventions to help alleviate the problems has resulted in a growing number of providers reporting operating distress manifest in closures, services being handed back and unsustainable provision being propped up by finite reserves within the not for profit / charity sector.

The worsening situation across Scotland has been, at least in part, exacerbated by widespread opposition to the manner and methods used to attempt to implement the Government's commitment for a new National Care Service. From a position of significant support for the concept of such a move, we now have major fractures of opinion and significant concerns about the viability of it as well as unanswered questions on major features of budget, capacity, control, not to mention the resultant impact a transition like this will have on broader existing arrangements after disaggregation. This has led to a decision to delay progress of the bill on two successive occasions in order to take the necessary time to address the multitude of gaps and regain some level of support. This is on one hand a welcome and pragmatic move but on the other it has led to further concern that the plan is too ambitious and will never happen.

Rather than helping drive cooperation and strategic improvement, the last few years appear to have in fact driven division and partisan arguments on how best to move forward. It has also attracted strong opposition from key stakeholders including the Royal College of Nursing and the Unions who have asserted that expensive and hugely disruptive structural change is simply not a credible response to current problems which there appears to be no evidence of understanding or action to address.

This landscape, encompassing all its uncertainty, presents a major challenge in terms of forward strategic planning. Taking a careful, risk informed approach in the near term, to safeguard core operations whilst simultaneously seeking considered creative moves to safeguard the organization and secure sustainability will be key. It will also be critical to remain directly involved in the active discussion and contribute in areas of relevance to help shape the thinking and conclusions in an evidence led and constructive manner. The issues at play are not ones that will be quickly resolved, and the turbulence of our current experience is going to be an ongoing feature for some time to come. With an absolute belief and determination to deliver on our charitable objects, our horizon planning could best be described as a prudent balance. We must focus on shorter term goals but within a broader strategic framework. Regular monitoring, evaluation and crucially, adaptation of the strategy will be essential factors of future strategic success.

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 £43,183,000 (2022: £39,546,190) and the Group made a surplus of £900,274 (£2,003,332). The Group has net funds as at 31 March 2023 of £11,984,171 (2022: £11,083,897).

With the resumption of tendering we have been successful in retaining existing services and in winning new contracts. This fact combined with the company's prudent approach whilst maintaining core services throughout the pandemic has meant that the company has emerged from the pandemic in a strong financial position.

There were a couple of pressures from the outside environment that the company has had to deal with in the year. Increase in utility prices put severe financial pressures on the residential services of the company. Price increase of five fold in gas and three fold in electricity led to these services sustaining heavy losses with no additional funding available.

The recruitment crisis in the sector led to high level of vacancies resulting in high levels of agency spend. To combat this the company invested in its own recruitment and retention team. By the end of the financial year this was showing good signs of combating the recruitment issue but retention remains an issue. Experienced staff are leaving to take up roles in the statutory sector which pays more.

As we look at the year ahead the concerns around utility costs and recruitment and retention have not gone away. The state of the economy and how this will affect future funding are also an increasing cause for concern.

TURNING POINT SCOTLAND

Trustees' Report (Incorporating the Strategic Report)

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 includes designated funds which are set aside by the Trustees for particular purposes), and the Revaluation Reserve. At the year end there were free (undesignated) reserves of £6,912,831 represented by the General Company Development reserves. 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 2022/2023 this target set at the beginning of the year was £5,786,471. Currently we hold reserves in excess of this, see note 22. In the year 2022/2023 the Board continued its pragmatic view due to the pandemic to hold the reserves balance due to the financial uncertainties.

In the year however the Board 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 Behavior 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.

Since the year end as part of the 2023/24 pay award to staff the Board approved the payment of a one off non-consolidated of £1,000 (pro rata based on contracted hours). The cost of this is £1,233,000 and will be met from reserves. This will have an immediate impact in reducing the reserves held.

Going Concern

The company is budgeting for an increase in turnover for the financial year 2023/24. We are budgeting for a turnover of £44.4m. We are also predicating a deficit of £1.5m however when you strip out the additional one-off costs relating to the non-consolidated payment being made to staff this reduces to £267k.

In the coming 12 – 18 months we have ten services up for re-tender. The combined turnover of these services is £12.1m. If we were to lose some or all of these services, the corresponding staff costs relating to that service are also lost thus safeguarding the company from on-going losses.

The company has a strong reserves 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 £9,177 to 39 people connected with TPS services to help them achieve their aspirations and goals. Pursuing a new or existing hobby is the most common type of application. Awards have been made to enable people to take up cycling, gardening, photography and various art & crafts activities. There were also 8 awards for laptops made during the year. This indicates how important access to technology has become in supporting people not only to stay connected but also in providing opportunities for future success and stability through employability and educational goals.

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.

In 2023 we have continued to build on the new approach and are currently working with Board members to establish a Risk Appetite Statement and a Risk Matrix. The purpose of these documents is to outline the organisation's willingness to take on risk in pursuit of its objectives and support decision making.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

The high-level risks as of 31st March 2023 were as follows:

- Changing policy and political landscape could affect the reputation and status TPS currently enjoys
- We fail to safeguard our staff and risk poor staff morals, high absence rates and pressure on service provision
- A drop in provision or quality of staff training may lead to TPS failing to meet regulatory or contractual needs
- Continued high utility prices may put a strain on the finances of services, making some residential services financially unviable
- If financial pressures continue to escalate and resulting mitigating actions by local authorities follow, TPS face a reduction in business reflecting a fundamental change in what we do and how this impacts on us.

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
If we fail to anticipate and react to the changing policy and practice landscape or planned sector reforms emerging from the pandemic, the reputation and status currently enjoyed and our ability to thrive in a new environment would be affected (5)	By planning to enhance the policy function within TPS, engagement with stakeholders, like local authorities, and contributions to the NCS via CCPS membership will be maximised. The policy function enhancement has been agreed and is at recruitment planning stage. There is also continued engagement with Glasgow Alliance, CCPS, unions and local authorities to help shape decisions and design.
If we fail to safeguard and monitor the wellbeing of our staff we expose the organisation to the risk of poor staff morale, high absence rates that put pressure on the operation of services and staff shortages as staff will leave the organisation (12)	Continued focus on absence rate monitoring with the aim of prioritising evidence of any dangers to staff wellbeing. Also to this end, formal reporting from the People Matter forum will be introduced by the end of March 2023.
Having prioritised staff training for several years, a drop in provision or quality may lead to failing to meet regulatory contractual needs. This could also be seen as a message to staff of declining standards (20)	Given the recruitment issues and Covid absence there is a pattern of reduced attendance for (understandable) operational reasons. The Exec Team with senior colleagues must find strategies to avoid this pattern establishing itself to the detriment of the overall training profile of our staff in TPS.
If utility prices remain high, or increase, it will put a strain on the finances of service and make some services (residential units) financially unviable and we may need to hand them back (27)	The score remains high because TPS are not able to affect the pricing fundamentally.
If financial pressures continue to escalate and resulting mitigating actions by local authorities follow, TPS face a reduction in business reflecting a fundamental change in what we do and how this impacts on us (34)	There are ongoing, high level discussions with the local authority regarding some services. The Board have been briefed on the current position. We will develop specific plans for each priority service by end of March 2023.

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.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

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 and as at 31st March 2023 there were 11 Trustees in post. There were no retirements or new trustees appointed during the period, with one resignation after the period end.

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 31/03/23
- Review of Management Account Information
- Review of Summary Report on Fraud and Going Concern
- Review of Statement of Investment Policy
- Review of Reserves Policy
- 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

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

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 2022 and the Board held a Strategy day in November 2022.

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. 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)

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.

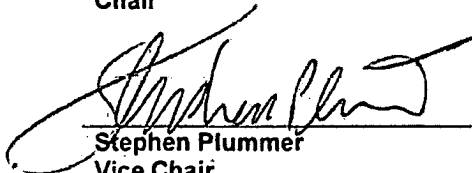
Auditor

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 12/5/23 by:



Paul McAuslan
Chair



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 2023

Opinion

We have audited the financial statements of Turning Point Scotland (the 'parent charitable company') for the year ended 31 March 2023 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 2023; 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 2023

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 2023

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 2023

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

14/09/23
Dated.....

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 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Income and endowments from:					
Donations and legacies	6	44,702	82,000	126,702	279,194
Charitable activities	7	42,197,574	778,265	42,975,839	39,224,254
Investment income	8	40,315	-	40,315	464
Other income		40,144	-	40,144	42,278
Total income and endowments		42,322,735	860,265	43,183,000	39,546,190
Expenditure on:					
Charitable activities	9	(41,322,660)	(742,841)	(42,065,501)	(38,188,065)
Total expenditure		(41,322,660)	(742,841)	(42,065,501)	(38,188,065)
Surplus of Funds		1,000,075	117,424	1,117,499	1,358,125
Net (loss)/gain on revaluation of investments	17	(217,225)	-	(217,225)	72,928
Net Income	14	782,850	117,424	900,274	1,431,053
Gains on revaluation of fixed assets		-	-	-	572,279
Net Movement in Funds		782,850	117,424	900,274	2,003,332
Total funds brought forward	22	10,911,350	172,547	11,083,897	9,080,565
Total funds carried forward	22	11,694,200	289,971	11,984,171	11,083,897

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 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Income and endowments from:					
Donations and legacies	6	44,702	82,000	126,702	279,194
Charitable activities	7	42,197,574	778,265	42,975,839	39,224,254
Investment income	8	639,746	-	639,746	531,810
Other income		40,144	-	40,144	42,278
Total income and endowments		42,922,166	860,265	43,782,431	40,077,536
Expenditure on:					
Charitable activities	9	(41,954,390)	(742,841)	(42,697,231)	(38,787,496)
Total expenditure		(41,954,390)	(742,841)	(42,697,231)	(38,787,496)
Surplus of Funds		967,776	117,424	1,085,200	1,290,040
Net (loss)/gain on revaluation of investments	17	(217,225)	-	(217,225)	72,928
Net Income	14	750,551	117,424	867,975	1,362,968
Gains on revaluation of fixed assets		-	-	-	572,279
Net Movement in Funds		750,551	117,424	867,975	1,935,247
Total funds brought forward	22	10,294,125	172,547	10,466,672	8,531,425
Total funds carried forward	22	11,044,676	289,971	11,334,647	10,466,672

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

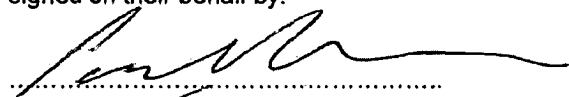
The notes on pages 33 to 56 form part of these financial statements

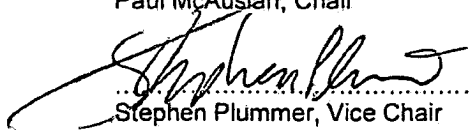
TURNING POINT SCOTLAND

Consolidated Balance Sheet As at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	16		4,949,563		5,208,502
Investments	17		2,896,404		3,073,390
			<u>7,845,967</u>		<u>8,281,892</u>
Current assets					
Debtors	18	5,540,925		4,668,191	
Cash at bank and in hand	19	6,988,634		8,058,777	
		<u>12,529,559</u>		<u>12,726,968</u>	
Creditors: Amounts falling due within one year	20	<u>(5,561,355)</u>		<u>(5,581,963)</u>	
Net current assets			<u>6,968,204</u>		<u>7,145,005</u>
Total assets less current liabilities			<u>14,814,171</u>		<u>15,426,897</u>
Provisions for liabilities	21		<u>(2,830,000)</u>		<u>(4,343,000)</u>
Net assets			<u><u>11,984,171</u></u>		<u><u>11,083,897</u></u>
Funds					
Restricted funds	22		289,971		172,547
Unrestricted funds	22		10,569,806		9,768,566
Revaluation Reserve	22		1,124,394		1,142,784
Net funds	23		<u><u>11,984,171</u></u>		<u><u>11,083,897</u></u>

The financial statements were approved and authorised for issue by the Board on 12/4/23 and are signed on their behalf by:-


Paul McAuslan, Chair


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 2023

	Notes	2023	2022
		£	£
Fixed assets			
Tangible fixed assets	16	4,949,563	5,208,502
Investments	17	2,896,405	3,073,391
		<u>7,845,968</u>	<u>8,281,893</u>
Current assets			
Debtors	18	3,982,660	3,526,781
Cash at bank and in hand	19	6,804,161	7,756,919
		<u>10,786,821</u>	<u>11,283,700</u>
Creditors: Amounts falling due within one year	20	<u>(4,468,142)</u>	<u>(4,755,921)</u>
Net current assets		<u>6,318,679</u>	<u>6,527,779</u>
Total assets less current liabilities		<u>14,164,647</u>	<u>14,809,672</u>
Provisions for liabilities	21	<u>(2,830,000)</u>	<u>(4,343,000)</u>
Net assets		<u>11,334,647</u>	<u>10,466,672</u>
Funds			
Restricted funds	22	289,971	172,547
Unrestricted funds	22	9,920,282	9,151,341
Revaluation Reserve	22	1,124,394	1,142,784
Net funds		<u>11,334,647</u>	<u>10,466,672</u>

The financial statements were approved and authorised for issue by the Board on 12/1/23 and are signed on their behalf by:-


Paul McAuslan, Chair


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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash (used in)/provided by operating activities	28	(1,238,290)	1,808,213
Cash flows from investing activities			
Interest receivable		76	2
Dividends received from investments		40,239	464
Purchase of fixed asset investments		-	(2,999,930)
Proceeds from sale of tangible fixed assets		139,905	-
Payments to acquire tangible fixed assets		(12,073)	-
Net cash provided/(used in) by investing activities		<u>168,147</u>	<u>(2,999,464)</u>
Decrease in cash in the year		<u>(1,070,143)</u>	<u>(1,191,251)</u>
Cash and cash equivalents at 1 April		<u>8,058,777</u>	<u>9,250,028</u>
Cash and cash equivalents at 31 March		<u><u>6,988,634</u></u>	<u><u>8,058,777</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>6,988,634</u></u>	<u><u>8,058,777</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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash (used in)/provided by operating activities	28	(1,123,798)	2,016,143
Cash flows from investing activities			
Interest receivable		76	2
Dividends received from investments		40,239	464
Purchase of fixed asset investments		-	(2,999,930)
Proceeds from sale of tangible fixed assets		142,798	-
Payments to acquire tangible fixed assets		(12,073)	-
Net cash provided by/(used in) investing activities		<u>171,040</u>	<u>(2,999,464)</u>
Decrease in cash in the year		<u>(952,758)</u>	<u>(983,321)</u>
Cash and cash equivalents at 1 April		7,756,919	8,740,240
Cash and cash equivalents at 31 March		<u><u>6,804,161</u></u>	<u><u>7,756,919</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>6,804,161</u></u>	<u><u>7,756,919</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 2023

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 2023.

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 2023/24. We are budgeting for a turnover of £44.4m, however we are also predicating a deficit of £1.5m.

The board of trustees has taken into consideration the budgets and forecasts for the next 12 months, including the underlying assumptions and taking into account increased energy prices and pressures on staff costs, 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 2023

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.

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 2023

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 a defined contribution pension scheme operated by Legal & General. 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 2022 triennial review, the recovery plan was updated. Under the recovery plan, Turning Point Scotland is required to make annual payments in 2023/24 of £406,776. 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 2023

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 2023

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 £	2022 £
Income and endowments from:			
Donations and legacies	279,194	-	279,194
Charitable activities	38,665,254	559,000	39,224,254
Investment income	464	-	464
Other income	42,278	-	42,278
Total income and endowments	38,987,190	559,000	39,546,190
Expenditure on:			
Charitable activities	(37,488,238)	(699,827)	(38,188,065)
Total expenditure	(37,488,238)	(699,827)	(38,188,065)
Net gain on revaluation of investments	72,928	-	72,928
Net (expenditure)/income	1,571,880	(140,827)	1,431,053
Gains on revaluation of fixed assets	572,279	-	572,279
Net movement in funds	2,144,159	(140,827)	2,003,332

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

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

Company	Unrestricted Funds £	Restricted Funds £	2022 £
Income and endowments from:			
Donations and legacies	279,194	-	279,194
Charitable activities	38,665,254	559,000	39,224,254
Investment income	531,810	-	531,810
Other income	42,278	-	42,278
Total income and endowments	39,518,536	559,000	40,077,536
Expenditure on:			
Charitable activities	(38,087,669)	(699,827)	(38,787,496)
Total expenditure	(38,087,669)	(699,827)	(38,787,496)
Net gain on revaluation of investments	72,928	-	72,928
Net income/(expenditure)	1,503,795	(140,827)	1,362,968
Gains on revaluation of fixed assets	572,279	-	572,279
Net movement in funds	2,076,074	(140,827)	1,935,247

6. Donations and legacies

Group and company	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Grants	-	-	-	228,945
Donations	44,702	82,000	126,702	50,249
	<u>44,702</u>	<u>82,000</u>	<u>126,702</u>	<u>279,194</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

7. Charitable Activities

Group and company	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Alcohol and other drugs	6,953,997	778,265	7,732,262	6,379,206
Homelessness	8,440,175	-	8,440,175	7,683,789
Mental health	1,472,766	-	1,472,766	1,141,520
Housing support	1,711,706	-	1,711,706	1,528,308
Learning disability	19,606,848	-	19,606,848	18,977,752
Criminal justice	3,701,763	-	3,701,763	3,189,880
Housing management	310,319	-	310,319	323,799
	<u>42,197,574</u>	<u>778,265</u>	<u>42,975,839</u>	<u>39,224,254</u>

8. Investment income

Group	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Bank interest	76	-	76	2
Dividend income	40,239	-	40,239	462
	<u>40,315</u>	<u>-</u>	<u>40,315</u>	<u>464</u>

Company	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Bank interest	76	-	76	2
Amounts received from subsidiary undertaking – Gift Aid	599,431	-	599,431	531,346
Dividend income	40,239	-	40,239	462
	<u>639,746</u>	<u>-</u>	<u>639,746</u>	<u>531,810</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

9. Expenditure on charitable activities

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2023 £
Activities undertaken directly	7,229,410	6,810,168	1,408,530	1,579,453	18,372,067	3,460,727	154,186	39,014,541
Support costs (note 10)	557,103	534,325	110,513	123,924	1,441,470	271,528	12,097	3,050,960
	<u>7,786,513</u>	<u>7,344,493</u>	<u>1,519,043</u>	<u>1,703,377</u>	<u>19,813,537</u>	<u>3,732,255</u>	<u>166,283</u>	<u>42,065,501</u>
Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2023 £
Activities undertaken directly	7,229,410	6,810,168	1,408,530	1,579,453	18,372,067	3,460,727	154,186	39,014,541
Support costs (note 10)	672,456	644,962	133,397	149,583	1,739,938	327,752	14,602	3,682,690
	<u>7,901,866</u>	<u>7,455,130</u>	<u>1,541,927</u>	<u>1,729,036</u>	<u>20,112,005</u>	<u>3,788,479</u>	<u>168,788</u>	<u>42,697,231</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements
For the year ended 31 March 2023

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 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	708,915	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 2023

10. Support costs

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2023 £
Salaries	364,053	349,168	72,218	80,981	941,965	177,437	7,905	1,993,727
Operating costs	164,723	157,988	32,675	36,641	426,209	80,284	3,577	902,097
Property running costs	11,957	11,468	2,372	2,660	30,939	5,828	260	65,484
Maintenance costs	7,065	6,777	1,402	1,572	18,282	3,444	153	38,695
Governance costs (note 11)	9,305	8,924	1,846	2,070	24,075	4,535	202	50,957
	<u>557,103</u>	<u>534,325</u>	<u>110,513</u>	<u>123,924</u>	<u>1,441,470</u>	<u>271,528</u>	<u>12,097</u>	<u>3,050,960</u>

Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2023 £
Salaries	343,047	329,021	68,051	78,308	887,613	167,199	7,449	1,878,688
Operating costs	269,270	258,260	53,415	59,897	696,718	131,240	5,847	1,474,647
Property running costs	11,957	11,468	2,372	2,660	30,939	5,828	260	65,484
Maintenance costs	7,065	6,777	1,402	1,572	18,281	3,444	153	38,694
Management fee to TPSS	32,105	30,792	6,369	7,141	83,069	15,648	697	175,821
Governance costs (note 11)	9,012	8,644	1,788	2,005	23,318	4,393	196	49,356
	<u>672,456</u>	<u>644,962</u>	<u>133,397</u>	<u>149,583</u>	<u>1,739,938</u>	<u>327,752</u>	<u>14,602</u>	<u>3,682,690</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 2023

10. Support costs (continued)

Comparative year:

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 2023

11. Governance costs

Group	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Audit and other professional fees	50,957	-	50,957	37,044
	<u>50,957</u>	<u>-</u>	<u>50,957</u>	<u>37,044</u>
Company				
Audit and other professional fees	49,356	-	49,356	35,046
	<u>49,356</u>	<u>-</u>	<u>49,356</u>	<u>35,046</u>

12. Employees

Group

Staff costs consist of:

Wages and salaries	33,544,835	29,732,978
Social security costs	2,651,074	2,271,275
Death in service insurance	107,682	109,669
Pension costs	917,792	823,483
Past service pension deficit – change in assumptions	(1,513,000)	(217,004)
	<u>35,708,383</u>	<u>32,720,401</u>

Company

Staff costs consist of:

Wages and salaries	33,429,796	29,617,596
Social security costs	2,651,074	2,271,275
Death in service insurance	107,682	109,669
Pension costs	917,792	823,483
Past service pension deficit – change in assumptions	(1,513,000)	(217,004)
	<u>35,593,344</u>	<u>32,605,019</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

12. Employees (cont'd)

Group and company

The pension costs of £917,792 (2022: £823,483) 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 £369,000 (2022: £343,000) 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:

	2023 No.	2022 No.
Salaried	1,211	1,156
Sessional	183	148
	<u>1,394</u>	<u>1,304</u>

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

	2023 No.	2022 No.
£60,000 - £70,000	7	-
£70,001 - £80,000	-	3
£80,001 - £90,000	3	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
£110,001 - £120,000	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 £30,103 (2022: £12,853).

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.

	2023 £	2022 £
Key management personnel emoluments	376,240	359,021
Employer's social security contributions in relation to key management personnel	47,352	42,834
Key management personnel pension contributions	13,529	12,853
	<u>437,121</u>	<u>414,708</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 2023

14. Net income/(expenditure)	2023 £	2022 £
Group		
Net income for the year is stated after charging:-		
Auditor's remuneration:		
- For audit services	31,050	27,000
- For taxation compliance services	1,700	1,400
- For accountancy services	3,400	2,990
Depreciation of fixed assets	103,906	-
Operating lease rentals	928,651	831,642
	<u>928,651</u>	<u>831,642</u>
Company	2023 £	2022 £
Net income for the year are stated after charging:-		
Auditor's remuneration:		
- For audit services	27,945	25,250
- For taxation compliance services	-	-
- For accountancy services	2,100	1,780
Depreciation of fixed assets	103,906	-
Operating lease rentals	928,651	831,642
	<u>928,651</u>	<u>831,642</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 2022	5,208,502	97,692	56,442	144,823	5,507,459
Additions	12,073	-	-	-	12,073
Disposals	(170,000)	-	-	-	(170,000)
At 31 March 2023	<u>5,050,575</u>	<u>97,692</u>	<u>56,442</u>	<u>144,823</u>	<u>5,349,532</u>
Depreciation:					
At 1 April 2022	-	97,692	56,442	144,823	298,957
Provided for in the year	103,906	-	-	-	103,906
On Disposals	(2,894)	-	-	-	(2,894)
At 31 March 2023	<u>101,012</u>	<u>97,692</u>	<u>56,442</u>	<u>144,823</u>	<u>399,969</u>
Net book value:					
At 31 March 2023	<u>4,949,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,949,563</u>
At 31 March 2022	<u>5,208,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,208,502</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

16. Tangible assets (cont'd)

The properties were revalued in March 2022 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:

	2023 £	2022 £
Cost	5,483,620	5,653,920
Accumulated depreciation	(1,931,209)	(1,830,197)
Net book value	<u>3,552,411</u>	<u>3,823,723</u>

17. Fixed asset investments

	Group £	Company £
Market value At 31 March 2023	<u>2,896,404</u>	<u>2,896,405</u>

Movements in fixed asset investments	Shares in subsidiary £	Shares in trade investments £	Total £
Group			
Cost or valuation:			
At 1 April 2022	-	3,073,390	3,073,390
Investment additions	-	1,171,271	1,171,271
Investment disposals	-	(1,131,032)	(1,131,032)
Change in market value	-	(217,225)	(217,225)
At 31 March 2023	<u>-</u>	<u>2,896,404</u>	<u>2,896,404</u>

	Shares in subsidiary £	Shares in trade investments £	Total £
Company			
Cost or valuation:			
At 1 April 2022	1	3,073,390	3,073,391
Investment additions	-	1,171,271	1,171,271
Investment disposals	-	(1,131,032)	(79,652)
Change in market value	-	(217,225)	(1,268,606)
At 31 March 2023	<u>1</u>	<u>2,896,404</u>	<u>2,896,405</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 2023

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 £34,089,289 (2022: £30,957,844), expenditure of £33,332,362 (2022: £30,233,582) and made a profit after tax of £631,730 (2022: £599,431). At the end of the year, Turning Point Scotland Services Limited had assets of £4,111,746 (2022: £3,517,717), liabilities of £3,462,221 (2022: £2,900,491) and capital and reserves of £649,525 (2022: £617,266).

18. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	5,239,707	4,306,671	1,312,434	1,090,812
Amounts due from group undertakings	-	-	2,369,008	2,074,449
Other debtors	146,416	143,795	146,416	143,795
Prepayments	154,802	217,725	154,802	217,725
	<u>5,540,925</u>	<u>4,668,191</u>	<u>3,982,660</u>	<u>3,526,781</u>

19. Cash at bank and in hand

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank	5,092,049	6,156,497	4,907,576	5,854,639
Bank accounts held in trust	1,896,585	1,902,280	1,896,585	1,902,280
	<u>6,988,634</u>	<u>8,058,777</u>	<u>6,804,161</u>	<u>7,756,919</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

20. Creditors: amounts falling due within one year	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	356,422	589,121	356,422	589,121
Taxation and social security	1,523,168	1,766,477	608,580	1,110,160
Pensions	209,044	183,206	209,044	183,206
Other creditors	299,044	450,363	299,044	450,363
Creditor in respect of bank accounts held in trust	1,896,585	1,902,280	1,896,585	1,902,280
Accruals	974,465	683,268	795,840	513,543
Deferred income	302,627	7,248	302,627	7,248
	<u>5,561,355</u>	<u>5,581,963</u>	<u>4,468,142</u>	<u>4,755,921</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	
	2023	2022	2023	2022
	£	£	£	£
At 1 April	7,248	506,408	7,248	506,408
Deferred during the year	302,627	7,248	302,627	7,248
Less: released in year	(7,248)	(506,408)	(7,248)	(506,408)
At 31 March	<u>302,627</u>	<u>7,248</u>	<u>302,627</u>	<u>7,248</u>

21. Provisions

Group and Company

	2023	2022
	£	£
Defined benefit pension scheme – past service deficit contributions (note 26)	<u>2,830,000</u>	<u>4,343,000</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

22. Reserves

	At 1 April 2022	Transfer to unrestricted funds	Retained for year	At 31 March 2023
Group	£	£	£	£
Restricted development reserves	172,547	-	117,424	289,971

Unrestricted funds	At 1 April 2022 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2023 £
General development reserve	6,134,868	-	655,228	122,735	6,912,831
<i>Designated reserves</i>					
Maintenance	624,247	-	4,786	-	629,033
Fundraising	165,257	-	83,906	-	249,163
Capital	484,974	-	-	(104,345)	380,629
Service development	2,359,220	-	38,930	-	2,398,150
Revaluations	1,142,784	-	-	(18,390)	1,124,394
	10,911,350	-	782,850	-	11,694,200

Comparative year

	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

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

22. Reserves (continued)

Company	At 1 April 2022 £	Transfer to unrestricted funds £	Retained for year £		At 31 March 2023 £
Restricted development reserves	172,547	-	117,424		289,971
		Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2023 £
Unrestricted funds	At 1 April 2022 £	£	£	£	£
General development reserve	5,517,642	-	622,930	122,735	6,263,307
<i>Designated reserves</i>					
Maintenance	624,247	-	4,786	-	629,033
Fundraising	165,257	-	83,906	-	249,163
Capital	484,974	-	-	(104,345)	380,629
Service development	2,359,221	-	38,929	-	2,398,150
Revaluations	1,142,784	-	-	(18,390)	1,124,394
	10,294,125	-	750,551	-	11,044,676

Comparative year:

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
		Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2022 £
Unrestricted funds	At 1 April 2021 £	£	£	£	£
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

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

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.
- £122,000 received as a donation to be spent on substance misuse services in Glasgow.
- £145,970 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 2023

23. Allocation of net assets between funds	Unrestricted £	Restricted £	2023 Total £
Group			
Fixed assets	7,845,967		7,845,967
Net current assets	6,678,233	289,971	6,968,204
Provisions	(2,830,000)		(2,830,000)
	<u>11,694,200</u>	<u>289,971</u>	<u>11,984,171</u>
Company			
Fixed assets	7,845,968		7,845,968
Net current assets	6,028,708	289,971	6,318,679
Provisions	(2,830,000)		(2,830,000)
	<u>11,044,676</u>	<u>289,971</u>	<u>11,334,647</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:

	2023 £	2022 £
Operating leases which expire:		
Not later than one year	928,651	831,642
Later than one year and not later than five years	270,089	257,842
Later than five years	472,656	580,144
	<u>1,671,396</u>	<u>1,669,628</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 2007, grants of £167,600 have been received from Argyll & Clyde Health Board, Renfrewshire Council and Inverclyde Council toward the purchase of Glenfield Avenue, 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 2023

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 2022 were:

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

Following the 31 March 2022 triennial review, the recovery plan was updated. Under the recovery plan, Turning Point Scotland is required to make annual payments of £406,781 for the year to 31 March 2024. Annual contributions will then increase in line with the Consumer Price Inflation until 31 January 2031.

During the year ended 31 March 2023, payments of £369,000 (2022: £343,000) 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 £2,830,000.

	2023 £	2022 £
Past service deficit repayment liability		
Provisions at 1 April	4,343,000	4,464,000
Unwinding of the discount factor (interest charge)	89,000	5,000
Deficit contributions paid	(369,000)	(343,000)
Recovery plan experience gain	(840,000)	-
Remeasurements – impact of any change in assumptions	(570,000)	(12,000)
Inflation experience loss	177,000	229,000
Provision at 31 March	<u>2,830,000</u>	<u>4,343,000</u>

	2023 £	2022 £
Liability is due to be paid as:-		
Due within one year	396,000	367,000
Due within one to two years	385,000	379,000
Due within two to five years	1,090,000	1,179,000
Due in more than five years	959,000	2,418,000
	<u>2,830,000</u>	<u>4,343,000</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

27. Capital commitments

There were no capital commitments at 31 March 2023 or 31 March 2022.

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

	2023	2022
Group	£	£
Net income	900,274	2,003,332
Revaluation of fixed assets	-	(572,278)
Bank interest received	(76)	(2)
Dividends received	(40,239)	(464)
Depreciation of tangible fixed assets	103,906	-
Decrease in debtors	(872,734)	(238,116)
(Decrease)/increase in creditors	(20,608)	810,201
Decrease in provisions	(1,513,000)	(121,000)
Loss on fixed asset disposal	27,201	-
Loss/(gain) on revaluation of financial instruments	176,986	(73,460)
Net cash (used in)/provided by operating activities	<u>(1,238,290)</u>	<u>1,808,213</u>

	2023	2022
Company	£	£
Net income	867,976	1,935,246
Revaluation of fixed assets	-	(572,278)
Bank interest received	(76)	(2)
Dividends received	(40,239)	(464)
Depreciation of tangible fixed assets	101,012	-
Decrease in debtors	(455,879)	102,824
(Decrease)/increase in creditors	(287,779)	745,277
Decrease in provisions	(1,513,000)	(121,000)
Loss on fixed asset disposal	27,201	-
Loss/(gain) on revaluation of financial instruments	176,986	(73,460)
Net cash (used in)/provided by operating activities	<u>(1,123,798)</u>	<u>2,016,143</u>

29. Analysis of changes in net funds

	1 April 2022 £	Cash flows £	31 March 2023 £
Group			
Cash at bank and in hand	<u>8,058,777</u>	<u>(1,070,143)</u>	<u>6,988,634</u>

	1 April 2022 £	Cash flows £	31 March 2023 £
Company			
Cash at bank and in hand	<u>7,756,919</u>	<u>(952,758)</u>	<u>6,804,161</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2023

30. Related party transactions

The trustees receive no remuneration for fulfilling their role as trustees. Total travel expenses of £nil (2022: £nil) were reimbursed to nil trustees (2022: 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 £33,332,362 (2022: £30,233,582) to its subsidiary in respect of these contracts. In addition, £115,039 (2022: £115,382) in payroll costs were recharged to the subsidiary for management services provided and Turning Point Scotland Services Limited invoiced Turning Point Scotland £175,821 (2022: £180,338) as a management fee and covenanted £531,346 (2022: £526,652) to Turning Point Scotland.

The amount due from Turning Point Scotland Services Limited at 31 March 2023 is £2,369,008 (2022: £2,074,449). The amounts outstanding are unsecured for cash settlement in accordance with usual terms.