

TURNING POINT SCOTLAND
Report and Consolidated Financial Statements
For the year ended 31 March 2021



Charity No: SC028827
Company No: SC194639

TURNING POINT SCOTLAND

Report and Consolidated Financial Statements For the year ended 31 March 2021

Contents	Page
Company Information	1
Trustees' Report (incorporating the Strategic Report)	2
Report of the Independent Auditor	20
Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account)	24
Company Statement of Financial Activities (incorporating Income and Expenditure Account)	25
Consolidated Balance Sheet	26
Company Balance Sheet	27
Consolidated Statement of Cash Flows	28
Company Statement of Cash Flows	29
Notes to the Consolidated Financial Statements	30

TURNING POINT SCOTLAND

Company Information

Directors and Trustees

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Robert MacIntosh	Vice Chair
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TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report) for the year ended 31st March 2021

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the charity's trust deed.

Objectives and Activities of the Charity

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

In last year's Trustees Report, the emergent threat to our way of life was beginning to show itself. Turning Point Scotland, like all other organisations, was thrust into an unforeseeable crisis which amounted to the single biggest challenge the organisation has faced in its history. Whilst a little less pressured than the initial stages, the Pandemic continues to this day representing long-term and sustained impacts, the details of which are yet to be fully understood. Whilst we are currently seeing cases ebbing and a gradual return to more manageable levels of infection, the impact of the pandemic has undoubtedly caused irreversible changes to all aspects of life where a post-COVID Scotland will look discernibly different to its predecessor. COVID 19 has fundamentally shaken our day to day working process and practices but also our private lives in a cardinal manner and yet, we emerge from this deeply troubling period far stronger, influential and positive than before.

There are many reasons explaining why TPS has prevailed through this Pandemic but central among them is an organisation with strong values, a clear vision, a motivated and dedicated staff all rooted in relevant and meaningful charitable objects. As social care has been thrust into the spotlight, the general recognition has begun to emerge that complexity of need requires to be addressed holistically rather than as individual components. This single fact has validated the diversity of TPS provision rooted around vulnerability and complexity.

Our diversity singles us out within the sector and is gradually developing into a solid base of philosophy with staff continually seeking to address the needs of individuals rather than accommodate them within a rigid method of support. Our specialist areas include supporting people with drug, alcohol or mental health problems, people involved in the criminal justice system as well as those who are homeless. We also work alongside people with learning disabilities as well as autism, early onset dementia and acquired brain injury. Whilst always looking to adapt and develop, the primary means through which we deliver this support includes the provision of direct support services, outreach services, supported tenancies, community drug services, registered care homes, residential care facilities, partnership and consortium arrangements, respite services, day activity as well as education and employment opportunities.

Turning Point Scotland remains a significant provider in Scotland, recognised for a pedigree in innovation, service quality, reliability and progressive delivery practice. As a 'not for profit' social care provider we are a registered charity limited by guarantee. Our primary sources of income relate to commission activities mostly routed through Local Authorities, the NHS, Scottish Government and private individuals through self-directed support.

One constructive consequence of the Pandemic, at least in Scotland, has been a public recognition of the general condition of social care and the need to address it. This culminated in a wholesale review being undertaken by Derek Feely which ultimately recommended major structural change. Drawing on established experience and a reputation for success within the sector, TPS has sought to influence these discussions at every stage and has been active in submitting those views formally to help inform and advise the discussions. The recommendations made within the Feely review and the governmental commitments made to pursue change represents the single greatest opportunity to advance positive change to Scottish social care in a generation and as such, Turning Point Scotland, in line with our role and purpose, intend to vigorously pursue these opportunities to fruition.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Central to the TPS philosophy is a deep-rooted set of values which combine with a strong people focus, summed up in our heartfelt motif 'because people matter'. This was a central feature of our 2018-20 strategy. In 2018, Investors in People awarded TPS gold accreditation placing us within the top 7% of accredited organisations. This accolade guided our strategic ambitions throughout the duration of the strategy. In February 2021 following the unprecedented upheaval of COVID 19, TPS was recognised and reaccredited at Platinum level placing us within the top 2% of IIP organisations. This reflects not only outstanding progress against our own ambitions but endorses our key leadership responsibility to promote positive change within the sector and beyond.

In last years' Trustee's Report, it was commented on that it would be difficult to imagine a greater test not only of the company's purpose and activity but also its resilience to maintain services amidst such turbulence. A year on, this remains true with the pandemic demonstrating a determination, duration and devastation that few could have predicted. Yet TPS has remained constant, maintained its core delivery and adapted in a hugely positive way. To emerge from such a challenge with strength, purpose and a shared sense of mission together with a renewed determination to help shape post-pandemic social care arrangements is the mark of an organisation with a set of truly established and imbedded charitable objects.

Strategic Report

Achievements and performance

During the pandemic the charity managed to meet its objectives during this difficult period. Services either operated as normal or adapted to the restrictions to ensure Turning Point Scotland were there to provide support to service users.

There can be no doubt that the general performance of any organisation over the last year will be viewed through the lens of unprecedented COVID related disruption. Against those measures, TPS has fared very well with significant progress against strategic objectives, strong financial progress, modest growth and most importantly, sustained standards of quality and care. In contrast to many organisations, TPS was ideally placed at the outset of the pandemic. Progressive and forward thinking ICT strategy enabled us to move quickly to reconfigure the daily working routines of staff; a well-developed service delivery model with strong levels of empowerment enabled dynamic and relevant adjustments without delay; a cohesive team approach across central functions allowed efficient repurposing to facilitate key services in terms of PPE, guidance, communication and immediate support.

With the combination of those preparatory factors alongside responsive leadership, TPS adapted quickly and effectively to the crisis and follow up period without compromising any area of service delivery. This stands out in contrast to many statutory and sector providers where numerous services were, in effect, sisted.

One of the strongest validations for the current status of TPS comes from the IIP accreditation work which was completed in February 2021. Platinum recognition is an outstanding achievement but the context of the feedback provided the most telling insight. The lead assessor described TPS as: "One of the best organisations we've had the pleasure to assess. TPS is like an orchestra that's playing with perfect pitch."

The detailed feedback report provided supported evidence of a communication emphasis, a culture of transparency and trust, innovation and empowerment, an environment where people are valued and recognised and a widespread support for a shared mission. Beyond the cultural elements of TPS, the feedback also summarised the core component of current success as being:

"The model of citizenship, the seat at the table for the Drugs Deaths Task Force, standalone outreach, digitalisation, the commissioned Insights work, the People Matter Forum are all fine examples of creating sustainable success. With continued environmental scanning, this is an organisation aware of and informing future challenges. This is a company where change – and taking risks, even having the occasional failure – are all integral to the culture."

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Strategy

Pandemic disruption is a continuing theme in the context of Strategic progress. Following very strong progress against the existing 2018-2021 strategy, work should have commenced in earnest to inform its successor just as the Pandemic began to emerge. The approach adopted for the creation, implementation and ongoing management of the 2018 strategy was evaluated as highly successful with regular and properly informed Board level discussions on progress. Independent validation of its impact was also provided through the IIP evaluation which added helpful observations beyond progress against targets. IIP assessors commented on the high levels of knowledge and understanding coupled with enthusiasm and personal ownership at every level to contribute towards success. They also observed staff generated ideas that were making a real difference to service users and the sector. This sense of autonomy was also identified in terms of Pandemic actions where local improvements and process adjustments were made seamlessly and again with the people who use our services in mind.

In light of the persistent nature of the pandemic and the extended duration of restrictions, discussion commenced and agreement was reached to develop a bridging strategy. This would cover a period of 18 months and allow continued strategic progress to be made whilst allowing some time for the pandemic and its consequences to be better understood before committing to longer term objectives.

To help inform the content of the bridging strategy and to remain in keeping with the heavy staff consultation used to generate the previous strategic plan, the 'Insights' work was drawn upon. This was work commissioned at the early stages of the pandemic whilst TPS was still formally on a crisis footing. It was intended to gather and assess the reactions, views and experiences of staff and service users in real time rather than take a more traditional approach where a post event assessment is conducted. This work proved extremely fruitful and generated some very useful themes for strategic development.

The 2018-21 strategy represented a seismic shift in approach for how TPS approached strategy. Inevitably, this provided a wealth of learning and a key opportunity to develop our approach in a way that works for TPS. The timing of external activities such as the IIP assessment has been extremely useful to help evaluate the approach which is heavily qualitative in nature and dependant, at least to some extent, on consensus understanding and commitment. These report recommendations combined with our internal evaluation will inform development plans which will aim to refine our reporting and measuring processes, whilst not losing the empowered trust that has now become a defining feature of our approach and that has delivered outstanding results to date.

Governance

TPS has continued to progress significant areas of governance work during the Covid Pandemic. The Governance Strategy 2018-2021 workstream is now complete. We can outline the achievements from this moving forward thus highlighting the success of our strategic planning regarding governance.

Good governance is a journey that TPS is fully committed to. Over the last year, we have built on the benefits of the earlier governance work by working on ways to embed good governance in every aspect of what the organisation does. We have ensured our systems and processes were safe, effective and person centred for our staff and the people we support. Governance work has continued to enable us to meet regulators expectations and adapt policies and procedures.

One significant focus in the last year was to provide Social Care Governance for all services. We designed, and are now rolling out, an effective Governance Framework and practical Toolkit within the organisation. To introduce the work, we have developed and delivered a programme of Governance Awareness sessions and have offered to facilitate these sessions for every service in the organisation. Evaluation of these sessions will be crucial in assessing the impact made but we believe this framework and toolkit will support our teams in continually improving the quality of our services.

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

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Good Governance can only be maintained if we continually undertake reviews of policies and procedures. This year alone we reviewed a third of policies to ensure the information was up to date and still what the organisation needed. TPS believe that we must provide robust and effective training to our staff and so the governance team ensure that the training we provide meets these criteria with rolling reviews in addition to analysing the results of our ongoing data audits. We work very closely with the Audit Working Group to ensure that we effectively capture emerging needs and provide appropriate support where needed.

Financial Governance is also being rooted into the entire organisation's way of operating day to day. A Financial Governance Committee will be formed to ensure accountability, transparency and budgetary competence is high on all staff's agenda.

Finance

Operating in the time of a global pandemic has brought its own strategic and governance issues. The company's approach was a prudent one looking at our core service delivery to ensure services were maintained. Investment opportunities were put on hold until we knew what financial landscape looked like. Controls were put in place to monitor additional spend brought about by the pandemic and sustainability funding sought where possible to meet this spend. A flexible approach was used as services adapted to meet the changing needs within budget headings.

As we come out of the pandemic that prudent approach leaves TPS in a financially secure position able to respond and cope with the demands that will ultimately be placed on the sector.

HR

TPS has taken a strong position on the importance of our staff and as such, people related work streams have occupied a disproportionate place on the strategic agenda. Significant among the achievements against these ambitions has been the development and launch of our internal career pathway development opportunities for colleagues right across TPS.

Our colleagues are wholeheartedly the key to our success which is why we have developed one of the most innovative career pathways in Scottish Social Care, in line with our values of Respect, Compassion, Inclusion, and Integrity. This is underpinned by our citizenship-based approach to help enable and develop the potential in all our colleagues, giving them the best possible range of opportunities for ongoing continuous support and development throughout their career.

Following a now established approach emphasising inclusion and involvement, this work involved the creation of Colleague led working groups to review our organisational approach to opportunities for development and progression and draw on the experiences and reality of our colleagues who have developed internally into more senior positions and also specialist roles in both TPS and the wider Social Care Sector. This collaborative work mapped out the road open to all and highlight the stepping stones needed to enable others to follow in those established paths and unexplored journeys. These initiatives, underpinned by our 'citizenship' commitments, are a significant development in strengthening the bonds with staff colleagues across TPS.

The formal measure of progress is reflected in TPS successfully achieving the prestigious Investors in People Platinum Accreditation. Turning Point Scotland is now recognised as 1 of only 12 Not for Profit organisations in Scotland to achieve this level of recognition. Investors in People is recognised internationally as a leading people accreditation. With more than 10,000 organisations having achieved IIP accreditation worldwide, Turning Point Scotland is among the 2% of organisations to achieve platinum status; a terrific triumph, demonstrating our commitment to our people.

ICT

A core thread of the outgoing strategy was digital transformation. A consistent topic of conversation was the distinction between what may be regarded as ICT activity and what is commonly understood as digital. Towards the latter stages of the 2018-21 strategy a more balanced appreciation emerged where reference to digital, at least within TPS, was seen as a range of complementary and interconnected elements. These elements include systems; resources & equipment; learning & development; connectivity; service provision; safety & security; data & information; and communications & social media.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Due primarily, but not exclusively, to the pandemic, the progress in terms of this area of business is by far the most remarkable of all. An ambitious ICT strategy, designed to modernize the ICT infrastructure, was well underway prior to the lockdown and in many ways was the enabler that allowed TPS to continue operating so smoothly. The enforced engagement with various digital tools and mechanisms advanced our collective awareness, familiarity and competence right across the organisation. This fact alone constituted years' worth of development in a matter of months.

Even under lockdown conditions, the ICT team continued to progress a challenging upgrade schedule of servers, operating systems and software and supported services in the acquisition of flexible technologies to support much more versatile work demands. These conditions have resulted in an unforeseeable engagement with new tools and capabilities primarily contained within Microsoft 365 enabling slicker and more effective communication across the board.

Of all the recent internal consultation activities across TPS, including the 'Insights' work, the most consistent topic that has emerged has related to digital. It is clear that in order to make a virtue of necessity, careful consideration of our rapid progress needs to be conducted. Whilst many opportunities undoubtedly exist to consolidate our new digital position and reap the benefits of that, care must also be taken not to compromise the basis of our support relationships due to internal or external assumptions and pressures to progress digitally enhanced ways of working.

These specific issues will be a central element of the bridging strategy to enable well informed and effective investment decisions for the longer term.

Service Provision

As at 31st March 2021, we provide 43 services. TPS delivers a diverse range of services, meeting people's needs throughout many parts of Scotland. These services are provided across various settings despite the diversity, TPS sustains a values-based approach, synonymous with our reputation which is consistent and demonstrably in line with our operating ethos. This is reflected in our new strategic strapline '**because people matter**'. The transition strategy for 2021-2023 underpins and reinforces our people centred ethos, valuing difference, encouraging individuality, understanding and meeting needs.

The organisation supported 9,551 individuals between 1st April 2020 and 31st March 2021, not including needle exchange. This represents an increase of 12.68% (more individuals working with the organisation) on the previous year (8,476 in 2019/2020). This involved 5,580 referrals, 4,807 assessments, and 5,978 programmes of support. We had 1,220 contracted employees and 144 relief workers in post on the 31st of March 2021.

Staff training and development

In a year of unprecedented challenge and change, COVID-19 has seen some dramatic but also positive changes within the Training and Development team, and across Turning Point Scotland's learning environment as a whole.

Since the writing of this report last year, the Training and Development Team have been fully remote-based due to the COVID-19 pandemic. During the initial lockdown, the team were repurposed, with two Training and Development Officers joining a multi-disciplinary team led by the Training & Development Manager to contact services on a daily basis, offering support and collecting data and statistics on the impact of COVID-19 on site. This included the number of staff who were symptomatic or shielding and the impact on service delivery. This data was also collected for people we support where possible and was shared at daily management calls by the Training Manager.

The remaining members of the team worked on reviewing and re-designing our core training to be able to be delivered either via an e-learning format, or via online platforms such as Zoom and Teams. As the year has progressed, the team have converted more than 20 courses to be delivered, primarily via Zoom which have included Adult Support & Protection, Preparing to Practice in Social Care, Autism, Dementia and People Moving People, as well as more service-specific courses such as the Introduction to Trauma programme, Alcohol Awareness, Self-Harm Awareness and Suicide Prevention Skills. We also developed a full 'Care Support Worker' Induction programme for new staff starting with TPS during the pandemic to provide supporting roles during the height of the pandemic and a brief e-learning programme on Infection Prevention and Control which has been completed by more than 1000 TPS staff.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

We have now been able to restart limited face-to-face delivery of essential skills for all staff such as Safety Interventions (formerly the Management of Actual and Potential Aggression – MAPA – Programme), People Moving People and utilising our external providers to deliver Health & Safety courses in Emergency First Aid at Work, Fire Safety and Food Hygiene. We have also maintained a strong working relationship with our external colleagues in NHS training, Scottish Drugs Forum (SDF) and in local delivery partners who have adapted their training programmes on meeting complex needs such as Attachment Theory and Introduction to CBT to be delivered online.

The Training and Development department continues to work closely with wider departments in TPS to support career progression for all staff in TPS. We have been involved in the HR 'Step In, Step On, Step Up' programme with one of our Training Officers contributing to a working group to define 'core training' for all staff beginning their career with TPS and have worked closely with Operational colleagues and the HR team following the completion of the revised Support and Development Policy to develop both a face-to-face and a virtual programme of training on both Receiving and Leading Effective Support and Development for all staff.

We have also worked with HR, TPS Connects and other departments to develop and deliver a quarterly 'Corporate Induction' programme via zoom which welcomes all new staff to the organisation, providing an overview of what to expect from key departments, the Executive Team, our values and commitment to Citizenship. To date, more than 150 staff have attended this session, ensuring that everyone 'stepping in' to TPS has a consistent welcome and a sense of belonging to the organisation.

Making sure there is access to learning opportunities and developing leadership potential across all levels of the organisation remains an important part of our work. Areas of work such as the Service Coordinator Development Programme have not been able to go ahead during this year due to the restrictions on staff being able to travel or attend group events. The team have worked on the development of a programme to support and upskill first-line managers – prior to COVID, we were able to carry out consultation events with staff across the whole of TPS to help inform the development of this programme and we expect it to be launched during 2021-22, initially virtually but with scope to move to a blended approach as restrictions ease.

The availability of access to both vocational and education opportunities at different levels supports our staff to meet their registration requirements with the Scottish Social Services Council (SSSC). Despite delays in this process starting related to the pandemic, we were able to complete the service nomination process and in total 82 staff were funded and supported to begin their SVQ Awards across a range of qualifications in Health & Social Care, Business Administration and Leadership and Management.

Internal training development and delivery is a consistent high priority and investment within TPS. During 2020, our longstanding Training Officer in the Dumfries & Galloway region retired, giving scope to review this post and the capacity/needs of our services in the region. We were able to redesign this role to bring it more into line with the work and capacity of other Training & Development Officers and provide additional support to our Central region by including Ayrshire in this role. We appointed a new Training and Development Officer in November 2020 who is settling well into the team and the role.

We were also able to continue to provide Training Officer support to the Housing First Training Academy, with Sandra Green remaining the dedicated training lead for the Housing First Academy. Turning Point Scotland's Housing First Academy continues to be the lead organisation for Housing First training across Scotland. We have continued to provide our suite of training to meet our contractual obligations with the CORRA Foundation and to deliver to organisations who are involved in the ramping up of Housing First across Scotland. The launch of the Academy website has given us the opportunity to hold open courses where organisations can purchase individual spaces. With the COVID lockdown restrictions preventing travel and face to face training the courses were converted into blended learning format with an online element via Teams and Zoom. The internal training team have embraced this and learned a new way of training very quickly. During 2020/21 we have offered 38 training courses, delivering to 307 participants, across the 5 Housing First pathfinder cities, to 37 organisations, and in 9 local authorities.

Our own training delivery has been significantly different as highlighted above. Despite the move to remote working and virtual learning we were still able to offer 287 training courses to more than 850 staff in the period of June 2020 – March 2021. As predicted, we have also seen a dramatic increase in our e-learning usage and activity with more than 7900 completions of courses in one year. This has highlighted a need to review and potentially update our e-learning system requirements as we work towards a more digitally informed approach to learning in TPS going forward.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

People We Support

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

Renfrewshire Service

AB has been supported by the service in Renfrewshire since 2008, living with three other individuals. Over the years, AB has expressed a desire to move to a house where she is able to spend quiet time on her own. This has been an outcome of AB's.

AB's perspective.

I had wanted to move home and live somewhere quieter and more peaceful for a long time, I wanted to live with someone who had the same interests as me and who also enjoyed a quiet life. I had never lived on my own so I was worried about this so I always thought I wanted to share a home with someone else. Moving out of xx has taken a long time and there were times where I thought this wouldn't happen and this made me sad as I was no longer enjoying being there and this affected my mood and other parts of my life. I came close to moving a few times and these fell through and this was upsetting because I would be excited then nothing would happen. When the house in xx became available I was told about it and I was nervous and a little bit scared about living on my own but once I went to see the flat and met some of the staff and spoke to my mum I felt that this was something I wanted and that I could live on my own. So far things have gone really well, some of my staff have come with me for a little while to help me settle in and I am getting on great with the staff here and I am loving being on my own and having my own space to do what I like.

Staff Member

AB has wanted to move for some time and when the flat here became available everyone felt that AB would enjoy being here and that we could support her to live a happy and independent life. The key was to give AB and her family all the information possible and show them how we would support AB to be safe and to be happy. The set-up of this service is different to the shared living model AB was used to but once she came to visit she really loved the flat and we were able to support her to move in quite quickly. The transition was helped by some of her support coming in the first few weeks so that she had a familiar face around while we were getting to know each other. AB has thrived in the short time she has been here, and is consistently developing new skills and has found a confidence to live a more independent life.

218 Service

M entered the 218 service in May 2018. M presented at the service with a lengthy involvement in substance misuse and offending behavior. M was supported with group work and 1-1 sessions around emotions, relationships, substance use, offending, triggers, coping strategies and also understanding & coping with post traumatic stress. M has worked extremely hard in her recovery and her commitment to change. M has had no further offending since prior to admission to the 218.

M has come back into the service to talk to us and the women who use the service on various occasions. She has come to various events that the service has organised and has shared her experience of the service and her journey, the highs & the lows. She has offered words of wisdom and encouragement to others. M is extremely compassionate and a positive role model to other individuals starting on their recovery journey. Since demitting from the service, M has maintained the changes she had made. M is an engaged member of the fellowship and has seen a complete change to her life since leaving the service actively being involved with the recovery community, attending festivals, going on holiday and having a supportive social network. M has regular contact with her grandson, she has also rebuilt relationships with her family while in the service and has maintained this since leaving. M now works full time for Turning Point Scotland, having secured a full-time job as peer support worker. M reports that 218 helped her when no one else would and she looks forward to helping others in their journey now. M reports 218 believed in her when she didn't believe in herself. M continues to keep in touch with the service and is advocate for the service and the company.

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.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

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.

Due to the Covid 19 pandemic all TPS Connects activities for the year were moved to Zoom. Peer support meetings for TPS Connects members and people currently in services have taken place 3 times a week. Regular meetings to develop TPS Connects activities and meetings to consult with people who have used services have all taken place digitally.

Staff Involvement

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. 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, The People Matter Forum, which meets to exchange information, discuss matters of interest and consult with senior managers on behalf of the collective staff team. Constituted of ten representatives from our workforce, The People Matter Forum built upon the work of our 'Big Conversation' which sought the views of our colleagues in terms of representation and engagement in the workplace significant to give all of our colleagues a voice, say and ability to propose, shape and decide on what happens in their place of work.

Based on the principles of '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 to sustain an enhanced level of dialogue with staff colleagues on matters of relevance to them.

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 Forum' 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.

The dual channel mechanism is consulted on pay proposals and then in line with the recognition agreement Unite colleagues receive a consultative ballot on the proposal in terms of either a positive acceptance/engagement with the proposal or to indicate if further negotiation / consultation is required.

The mechanisms work to ensure that not only do all colleagues have the opportunity to have their voice heard but also so that Turning Point Scotland are able to have a genuine two-way flow of information in relation to the ongoing performance of the business, the ability to engage and consult in line with ICE Regulations and encourages all colleagues to take part and make Turning Point Scotland a good place to work.

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.

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.

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)

Strategic Direction

The bridging strategy for the next 18 months will retain the general strategic direction established within the 2018-21 strategy. The ethos and basic premise of this position has been very well embraced across TPS and has become a growing part of routine practice across the staff teams. Work has also been done to consult staff and this reflected a strong desire to retain the existing direction of travel including values, mission and specifically the strapline – 'because people matter'.

By any standard, TPS and our staff compliment have been tested and stretched significantly over the duration of the pandemic which remains even now unresolved. Acknowledging the need to move forward and navigate some further structural challenges we now face as we come out of the extended period of restrictions, we must also recognise the need for some level of recovery. One positive consequence of our Covid response has been much more inclusive and frequent communications and far more cross boundary working across disciplines. This is very positive and our post Covid arrangements will seek to consolidate around these benefits and make the recovery period constructive and helpful.

The positive interaction between functions led by the 'Heads Of' is a welcome development but in each area there are innovative activities which may yet convert into more significant opportunities despite the pandemic. A good example of this sits within the alcohol and addictions world where TPS is leading several tests of change as part of national efforts to curb the drug death epidemic. These pioneering activities constitute the innovative practices TPS is known for and position the organisation well for whatever structural arrangements emerge for social care beyond the pandemic era.

Strategic agility will be the most important aspect of the next period and planning in a way that permits fast responsive contributions will be vital. As we navigate, our aim is to stay in tune with our established mission which remains valid, relevant and supported: -

"Turning Point Scotland specialises in supporting people facing the most complex and challenging situations. Our 'people centered' ethos places the people we support first in our thinking and ensures that our staff convert their passion into great services. TPS delivers improvement in Scotland's social care sector through high quality services, leadership and innovation."

Monitoring Performance

In normal circumstances this would be our approach but the pandemic has impacted on our ability to undertake the range of audits we would normally expect to do.

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 processes which support this monitoring are the Service Practice Audits, Health & Safety Audits, Data and Information Management Audits, Internal Financial Audits, Clinical and Care Governance Audits and Service Improvement Plans. These organisational processes overlay the oversight and monitoring of service provision through line management structures.

Specific monitoring activities include:

- 1. Information Gathering:** TPS gathers a range of information to ensure that it is monitoring its performance adequately. Such information is reported at Board meetings, in contract compliance and via inspections and reports to a range of regulatory bodies. Information is gathered and analysed in the following areas: financial management, people management including absenteeism, turnover and training; health and safety, quality systems, service user outcomes and staff outputs. We have an outcomes database in place to gather and analyse both quantitative and qualitative information.
- 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 progress which 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.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Monitoring Performance (cont'd)

3. **Monitoring Strategic Goals:** TPS has a reporting process in place to monitor the implementation of key areas as set out in our strategy.
4. **Audit & Quality Processes:** TPS has well established internal audit and quality systems. Every service is audited by an external Manager on an annual basis. Following the audit individual services incorporate the findings into Service Improvement Plans. The Quality and Audit Manager works in partnership with other functional managers to identify any trends across the organisation which are reported to the Executive Team and Audit & Risk Assurance Committee.

Regulation

We had 38 services registered with the Care Inspectorate during the period 1st April 2020 to 31st March 2021. We have 5 services that currently don't require registration.

Covid restrictions meant that during the year, we received no formal inspections from the Care Inspectorate. Their approach was only to inspect high risk services, particularly older people's residential care and no TPS services fall under the high risk category. The Care Inspectorate continues to inspect on the basis of high risk services and it is not clear when a full return to normal inspection timeframes will resume. Two of our residential services received inspections from the Glasgow Health and Social Care Partnership towards the end of 2020 on matters relating to infection control and prevention and performed well with a few improvements to implement.

Following advice from the Care inspectorate we instigated a light touch audit across services in March 2021 to find out if they had been able to maintain local auditing during the pandemic. The results of this were very positive given the circumstances of operation over the last year. Where it was possible to do so, we also undertook more limited versions of some of our corporate audits.

Throughout the pandemic, we have also sought to ensure quality in our services by making sure our processes fully meet the ongoing national guidance on health and safety, infection control and prevention and other Covid related matters.

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

	2020/21	
<i>Energy consumption</i>	kWh	
	4,545,599	
<hr/>		
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	559.3	
- Fuel consumed for owned transport	15.5	
	<hr/>	574.8
Scope 2 - indirect emissions		
- Electricity purchased		218.2

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Streamlined energy and Carbon Reporting (SECR) (cont'd)

	Metric tonnes
Scope 3 - other indirect emissions	
- Business travel in employee-owned vehicles	123.5
	<hr/>
Total gross emissions	916.5
	<hr/>
Intensity ratio	
Tonnes CO2e per annual revenue	24.21
	<hr/>

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 £Revenue.

Measures taken to improve energy efficiency

We are upgrading lighting to modern LED fittings and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

External Accreditation & Recognition

Investors in People (IIP)

As an organisation we pride ourselves in valuing our employees and aim to be an organisation where people choose to stay and work. The progress and implementation of our strategic plan is evidenced in the positive impact that it has had on shaping TPS as an organisation which is truly committed to our people and continuous improvement. Facing both new and existing challenges within the social care sector and the world as a whole, Turning Point Scotland has not only maintained but enhanced our investment in people.

This has resulted in TPS successfully achieving Platinum Accreditation by the internationally recognised 'Investors In People' standard. After many years of accomplishing the already outstanding 'Gold' rating, TPS has built on those firm foundations to become one of only twelve Not for Profit Organisations in Scotland and joins the 2% of the 10,000 organisations world-wide (who undertake IIP assessment) who have achieved 'Platinum' recognition. In no small part to the hard work, dedication and values of our staff.

Through our people first ethos, we have developed an engaging and inclusive workplace culture which nurtures a sense of belonging and value supporting staff to operate positively and reach their professional aspirations.

Having faced both new and existing challenges within the social care sector and the world as a whole, Turning Point Scotland has not only maintained but enhanced our investment in people. Through our people first ethos, we have developed an engaging and inclusive workplace culture which nurtures a sense of belonging and value supporting staff to operate positively and reach their professional aspirations. We are delighted to have achieved the IIP Platinum Accreditation and as we celebrate, we will also be looking for our next opportunity to better ourselves yet again.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Good Governance Award (April 2020 – April 2023)

As a values-based organisation we put people at the heart of what we do and we strongly believe good governance matters especially in the charity sector where the purpose is to serve our beneficiaries as best we can. OSCR recommend The Good Governance Award and recognise it as establishing an organisation is actively engaging in excellent governance. TPS were delighted to achieve the required standard and be awarded The Good Governance Award in March 2020, and we will continue to strive to enhance our governance arrangements.

Housing First Anniversary Conference

In 2020, Turning Point Scotland celebrated a decade of Housing First success. Housing First is recognised by the Scottish Government as the default model for individuals experiencing homelessness with multiple and enduring support needs.

In 2010, Turning Point Scotland made the ambitious move to bring Housing First from New York to the communities of Scotland. A decade on, Housing First is now seen throughout Europe and beyond as an effective programme to address homelessness; with Scotland being seen as world leaders in this transformational philosophy which acts as the springboard to change the rest of the Homelessness and wider social care system.

Turning Point Scotland's Housing First service recently celebrated its 10th anniversary, hosting the 'The Good, The Bad and the Non-negotiables' conference. A truly international affair, the conference saw 277 delegates registering from over nine countries in Europe and as far as Canada.

Turning Point Scotland have helped 425 individuals build a sense of belonging within their community and achieved an 84% tenancy sustainment rate. A figure which is internationally recognised as a major success for individuals who are experiencing multiple and enduring support needs.

Perth & Kinross Floating Housing Support Naloxone Provision

Turning Point Scotland's Perth and Kinross Floating Housing Support service have become their first non-alcohol or other drug service to provide take home Naloxone.

A natural organisational progression, Turning Point Scotland are no strangers to the provision of take-home Naloxone having prescribed the medication in their Glasgow Drugs Crisis Centre since 2011 when the Scottish Government introduced the world's first National Naloxone programme.

Now as a result of the Covid-19 crisis, the Lord Advocate has agreed to further relax the regulations temporarily around take-home Naloxone. This means that any adult social care service that is supporting an individual who may come into contact with someone at risk of an opioid overdose, can now supply take-home Naloxone kits.

The Future

Whilst financial pressures and uncertainty has been a common feature in Scottish social care for some time, it is fair to say that the pandemic has taken this to new levels. Unprecedented financial pressures coupled with unparalleled pent up demands across public services has created a highly volatile landscape within which to operate. The change agenda that is beginning to emerge, partly through necessity and partly as a consequence of the learning from the pandemic experience adds to this uncertainty.

In the context of social care and more specifically the work done by Turning Point Scotland, there is reason for cautious optimism despite the volatility of the environment. The public awareness, appreciation and support for social care and those staff working within it was a welcome if unexpected feature of media reporting throughout the pandemic. This also coincided with the publication of a review of adult social care which made wide sweeping recommendations for major structural reform. These recommendations were not only supported in full by the government but led to social care becoming a central political issue where a remarkable degree of consensus began to emerge to the key issues.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

In line with our strategic aims, TPS has sought to increase our presence and influence in key areas of activity and have contributed those views to the public debate. That has been successful in that many of these views were reflected in the review recommendations. The next year will be critical in helping to establish momentum for a meaningful programme of change and to help shape that programme. This will be a central area of strategic focus over the coming year with a view to helping to bring about effective and sustainable social care arrangements for Scotland.

Financial Review

In a time of unprecedented uncertainty due to the COVID pandemic Turning Point Scotland has returned a strong financial return. The Group made a surplus of £1,798,837.

£219,724 of this surplus relates to funding we have accounted for this financial year that will be spent in 2021/22.

As you would expect a prudent approach was taken during the year with any planned development work to be funded by the company put on hold until we knew how the year was going to progress. We worked with councils to ensure funding was available for all services including those that had to adapt and change due to the various restrictions brought in to combat the pandemic.

Uncertainty still surrounds the outlook for the future to see what financial constraints will be put on the sector as we come out of the pandemic. New lessons have been learned on how services and the company can operate as we move into the future and with this will come investment needs around IT and systems.

We have surpassed our reserve target however took a prudent view on this until we were clearer about the future. However now that we are more confident the Board are looking at how we might invest these funds back into the company.

Reserve Policy

The charity has two categories of reserves - Restricted Funds in furtherance of its charitable activities (can only be used for the purpose set by the funder) and Unrestricted Funds (can be used by the company for general purposes). At the year end there were free reserves of £5,212,842. Further details of these funds can be found in note 22.

The reserves policy was reviewed by the Audit Committee in the year and as part of the overall Reserves Policy the company sought to hold two months' gross salaries held in General Company Development Reserves. For the financial year 2021/2022 this amounts to £5,294,760. Currently we hold reserves in excess of this, see note 22. In the year 2021/2021 the Board took a pragmatic view due the pandemic to hold the reserve balance due to the financial uncertainties. In 2021/2022 the Board have tasked the Exec Team to plan how the reserve excess could best be used.

Going Concern

The charitable company has considerable financial resources and is expected to generate sufficient levels of income resources in the foreseeable future to cover resources expended.

The company is budgeting for an increase in turnover to £39.3m and a surplus of £161k for the coming financial year 2021/22. In the coming 12-18 months there are no material contracts that are due for re-tender that would impact on the going concern of the company. If we do lose a service that results in a reduction in turnover the corresponding costs relating to that service are also lost thus safeguarding the company from ongoing losses.

What the future holds in terms of ongoing financial pressures is unknown other than a knowledge that the sector is going to be impacted. The role of the public sector and third sector has been raised during this crisis. It has been shown previous financial cuts have put these sectors under severe strain. We are very clear though that any cut in funding will lead to a cut in service delivery which translates into a reduction on costs.

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

Trustees' Report (incorporating the Strategic Report)

Turning Point Scotland Charitable Donations

During the year Make It Happen awarded £11,291 to 57 people connected with TPS services to help them achieve their aspirations and goals. The biggest percentage of awards was for laptops and tablets, but there were also a considerable number of awards for equipment and materials for hobbies; particularly bikes, fitness equipment and art & craft materials. Additionally, there were a few awards for people to participate in online courses.

Risk Management

The company has a company-wide risk management plan with which financial and non-financial risks are assessed and managed. Our risk approach and management plan was revised in April 2021 and scrutinised through Board governance arrangements. A more developed approach to Risk management was also introduced as part of the strategy implementation work in order to refresh risk management practices across the organisation. The high-level risks as of 1st April 2021 were as follows:

- Our pension arrangements threaten the financial stability of the organisation
- A risk to our pension arrangements should Turning Point England get into severe financial difficulties or indeed go out of business and Turning Point Scotland are left with the overall liability
- We fail to recognise and respond to changes in the operating environment resulting in reduce service provision
- We fail to train staff to the mandated level on courses which are essential for the health and safety of staff
- We fail to ensure the physical, financial, emotional and sexual safety of people we support
- We fail to train staff to the mandated level on courses which are essential for the health and safety of service users

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

Risk	Strategy to Manage Risk
Our pension arrangements threaten the financial stability of the organisation (33)	The Board receive pension reports at key Board meetings by the Chair of the Pension Trustees. We have a recovery plan in place which is reviewed annually and we have an estimated provision in the budget.
A risk to our pension arrangements should Turning Point England get into severe financial difficulties or indeed go out of business and Turning Point Scotland are left with the overall liability (34)	Trustees of the scheme regularly review the financial stability and covenant of both Turning Point England and Turning Point Scotland.
We fail to train staff to the mandated level on courses which are essential for the health and safety of staff and service users (46) & (50)	We carry out service level MAPA risk assessments and update these as required. We ensure all require staff complete mandatory training.
We fail to ensure physical, financial, emotional and sexual safety of people we support (47)	We have a range of policies and procedures in place to safeguard and protect the people we support including Protection of Vulnerable Adult, Support Planning, Safeguarding, Safer Recruitment. We ensure staff receive appropriate training. We have robust processes and audits in place.

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Structure, Governance and Management

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

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

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

The Audit and Risk Assurance Committee

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

Directors and Trustees

The Directors of the charitable company ("the charity") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

We have a Board of up to 15 Trustees as at 31st March 2021 there were 7 Trustees in post. Two Trustees resigned and no new Trustees were appointed during the period

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

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

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

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 31/03/21
- Review of Management Account Information
- Review of Summary Report on Fraud and Going Concern
- Review of Board Investment Policy
- Review of Business Contingency Plan Process
- Review of Audit & Risk Assurance Committee Terms of Reference

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

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

The Board held a Strategy day in November 2020.

Key management personnel remuneration

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

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

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

Remuneration Review of Chief Executive and Directors

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

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

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

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

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

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Reference and administrative Information

Trustees

Dorothy McElroy	
Robert MacIntosh	Chair
Paul McAuslan	Vice Chair
Alison Bunce	
Daradjeet Jagpal	(resigned 08/03/2021)
Stephen Plummer	
Emma Skett	(resigned 16/02/2021)
Graeme Cook	
Lorna Gibbs	

Chief Executive

Neil Richardson OBE QPM

Secretary and Registered Office

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

Principal Office

54 Govan Road
Glasgow
G51 1JL

Auditor

RSM UK Audit LLP
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Bankers

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

Solicitor

Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

TURNING POINT SCOTLAND

Trustees' Report (incorporating the Strategic Report)

Trustees' responsibilities for the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 07/09/21 by:



Robert MacIntosh
Trustee

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TURNING POINT SCOTLAND

Independent Auditor's Report to the Members and Trustees of Turning Point Scotland For the year ended 31 March 2021

Opinion

We have audited the financial statements of Turning Point Scotland (the 'parent charitable company') for the year ended 31 March 2021 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 2021 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 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 to you 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 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 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 2021

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 charitable company and its 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 19, 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 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 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 2021

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 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, the 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, and 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 charitable company 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 as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed 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.

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 2021

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 charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, 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 MA (Hons) CA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Dated 14 September 2021

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 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Income and endowments from:					
Donations and legacies	6	50,559	-	50,559	130,783
Charitable activities	7	37,207,768	376,670	37,584,438	36,138,550
Investment income	8	5,500	-	5,500	31,007
Other income		241,750	-	241,750	25,956
Total income and endowments		<u>37,505,577</u>	<u>376,670</u>	<u>37,882,247</u>	<u>36,326,296</u>
Expenditure on:					
Charitable activities	9	(35,869,679)	(213,731)	(36,083,410)	(35,581,529)
Total expenditure		<u>(35,869,679)</u>	<u>(213,731)</u>	<u>(36,083,410)</u>	<u>(35,581,529)</u>
Net income	14	<u>1,635,898</u>	<u>162,939</u>	<u>1,798,837</u>	<u>744,767</u>
Net Movement in Funds		<u>1,635,898</u>	<u>162,939</u>	<u>1,798,837</u>	<u>744,767</u>
Total funds brought forward	22	<u>7,131,293</u>	<u>150,435</u>	<u>7,281,728</u>	<u>6,536,961</u>
Total funds carried forward	22	<u>8,767,191</u>	<u>313,374</u>	<u>9,080,565</u>	<u>7,281,728</u>

All income and expenditure is from continuing activities.

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

The notes on pages 30 to 51 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 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Income and endowments from:					
Donations and legacies	6	50,559	-	50,559	130,783
Charitable activities	7	37,207,768	376,670	37,584,438	36,138,550
Investment income	8	531,332	-	531,332	444,175
Other income		241,750	-	241,750	25,956
Total income and endowments		38,031,409	376,670	38,408,079	36,739,464
Expenditure on:					
Charitable activities	9	(36,400,204)	(213,731)	(36,613,935)	(36,100,356)
Total expenditure		(36,400,204)	(213,731)	(36,613,935)	(36,100,356)
Net income	14	1,631,205	162,939	1,794,144	639,108
Net Movement in Funds		1,631,205	162,939	1,794,144	639,108
Total funds brought forward	22	6,586,846	150,435	6,737,281	6,098,173
Total funds carried forward	22	8,218,051	313,374	8,531,425	6,737,281

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

The notes on pages 30 to 51 form part of these financial statements

TURNING POINT SCOTLAND

Consolidated Balance Sheet As at 31 March 2021

	Notes	£	2021	£	£	2020	£
Fixed assets							
Tangible assets	16			4,636,224			4,724,127
Current assets							
Debtors	18	4,430,075			4,226,721		
Cash at bank and in hand	19	9,250,028			6,719,833		
				<u>13,680,103</u>		<u>10,946,554</u>	
Creditors: Amounts falling due within one year	20	(4,771,762)			(3,796,953)		
Net current assets				8,908,341			7,149,601
Total assets less current liabilities				<u>13,544,565</u>			<u>11,873,728</u>
Provisions for liabilities	21			(4,464,000)			(4,592,000)
Net assets				<u>9,080,565</u>			<u>7,281,728</u>
Funds							
Restricted funds	22			62,000			150,435
Unrestricted funds	22			8,431,393			6,544,121
Revaluation Reserve	22			587,172			587,172
Net funds	23			<u>9,080,565</u>			<u>7,281,728</u>

The financial statements were approved and authorised for issue by the Board on 7 September 2021 and are signed on their behalf by:-

Robert MacIntosh

Robert MacIntosh, Trustee

Dorothy McElroy

Dorothy McElroy, Trustee

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Charity No: SC028827

Company No: SC194639

The notes on pages 30 to 51 form part of these financial statements

TURNING POINT SCOTLAND

Company Balance Sheet As at 31 March 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible fixed assets	16		4,636,224		4,724,127
Investments	17		1		1
			<u>4,636,225</u>		<u>4,724,128</u>
Current assets					
Debtors	18	3,629,605		3,175,975	
Cash at bank and in hand	19	8,740,240		6,434,124	
		<u>12,369,845</u>		<u>9,610,099</u>	
Creditors: Amounts falling due within one year	20	(4,010,645)		(3,004,946)	
Net current assets			<u>8,359,200</u>		<u>6,605,153</u>
Total assets less current liabilities			<u>12,995,425</u>		<u>11,329,281</u>
Provisions for liabilities	21		(4,464,000)		(4,592,000)
Net assets			<u>8,531,425</u>		<u>6,737,281</u>
Funds					
Restricted funds	22		62,000		150,435
Unrestricted funds	22		7,882,253		5,999,674
Revaluation Reserve	22		587,172		587,172
Net funds			<u>8,531,425</u>		<u>6,737,281</u>

The financial statements were approved and authorised for issue by the Board on 7 Sept 2021 and are signed on their behalf by:-

Robert MacIntosh

Robert MacIntosh, Trustee

Dorothy McElroy

Dorothy McElroy, Trustee

Charity No: SC028827
Company No: SC194639

The notes on pages 30 to 51 form part of these financial statements

TURNING POINT SCOTLAND

Consolidated Statement of Cash Flows As at 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Cash provided by operating activities	28	2,550,179	(236,560)
Cash flows from investing activities			
Interest receivable		5,500	31,007
Proceeds from sale of tangible fixed assets		-	72,150
Payments to acquire tangible fixed assets		(25,484)	(35,536)
Net cash (used in)/provided by investing activities		<u>(19,984)</u>	<u>67,621</u>
Increase/(Decrease) in cash in the year		2,530,195	(168,939)
Cash and cash equivalents at 1 April		<u>6,719,833</u>	<u>6,888,772</u>
Cash and cash equivalents at 31 March		<u><u>9,250,028</u></u>	<u><u>6,719,833</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>9,250,028</u></u>	<u><u>6,719,833</u></u>

The notes on pages 30 to 51 form part of these financial statements

TURNING POINT SCOTLAND

Company Statement of Cash Flows As at 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Cash provided by operating activities	28	2,326,920	(198,456)
Cash flows from investing activities			
Interest receivable		4,680	23,182
Proceeds from sale of tangible fixed assets		-	72,150
Payments to acquire tangible fixed assets		(25,484)	(35,536)
Net cash provided by/(used in) investing activities		<u>(20,804)</u>	<u>59,796</u>
(Decrease)/Increase in cash in the year		2,306,116	(138,660)
Cash and cash equivalents at 1 April		<u>6,434,124</u>	<u>6,572,784</u>
Cash and cash equivalents at 31 March		<u><u>8,740,240</u></u>	<u><u>6,434,124</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u><u>8,740,240</u></u>	<u><u>6,434,124</u></u>

The notes on pages 30 to 51 form part of these financial statements

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

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 2021.

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 to £39.3m and a surplus of £161k for the coming financial year 2021/22. In the coming 12-18 months there are no material contracts that are due for re-tender that would impact on the going concern of the company. If we do lose a service that results in a reduction in turnover the corresponding costs relating to that service are also lost thus safeguarding the company from ongoing losses.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

3. Accounting policies (cont'd)

What the future holds in terms of ongoing financial pressures is unknown other than a knowledge that the sector is going to be impacted. The role of the public sector and third sector has been raised during this crisis. It has been shown previous financial cuts have put these sectors under severe strain. We are very clear though that any cut in funding will lead to a cut in service delivery which translates into a reduction on costs.

The group's Balance Sheet at 31 March 2021 reflects a satisfactory cash and net assets position, and the group is expected to generate sufficient levels of income in the foreseeable future to cover expenditure.

As a result, the trustees have continued to apply the going concern basis in preparing the financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of the charity and its subsidiary undertaking, Turning Point Scotland Services Limited. The results of the subsidiary are consolidated on a line by line basis.

Income recognition

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

Contract income

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

Rental income

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

Donations and grants

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

- when donors specify that donations and grants given to the group must be used in future accounting periods, the income is deferred until those periods;
- when donors impose conditions which have to be fulfilled before the group becomes entitled to use such income, the income is deferred and not included in the Statement of Financial Activities until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in the Statement of Financial Activities as restricted funds when receivable.

Other income

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

Interest receivable

Interest is included when receivable by the group.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

3. Accounting policies (cont'd)

Expenditure

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

- Charitable expenditure comprises those costs incurred in the delivery of the group's activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include the cost of governance arrangements which relate to the general running of the group as opposed to the management functions inherent in generating funds, service delivery and programme or project work. This includes such items as internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements. These costs are included in support codes and are apportioned there.
- Support costs which are attributable to more than one activity are apportioned across activities on the basis of the relative cost of those activities.

Operating leases

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

Pensions

The group participates in the Turning Point Pension Scheme, a multi-employer defined benefits pension scheme. Pension contributions are charged to the Statement of Financial Activities to spread the cost of pensions over the employees' working lives. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers on a consistent and reasonable basis and the scheme is accounted for as a defined contribution plan. The scheme was closed to new members with effect from 31 March 2011 and was closed to future accrual with effect from 31 March 2012. On 1 April 2012, the company set up a defined contribution pension scheme.

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

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

The estimated remaining liability has been discounted to the net present value of the future cash flows using a market rate of interest for a similar debt instrument in accordance with FRS102.

Taxation

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

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

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.

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.

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.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

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 £	2020 £
Income and endowments from:			
Donations and legacies	90,783	40,000	130,783
Charitable activities	36,060,268	78,282	36,138,550
Investment income	31,007	-	31,007
Other income	25,956	-	25,956
Total income and endowments	36,208,014	118,282	36,326,296
Expenditure on:			
Charitable activities	(35,495,282)	(86,247)	(35,581,529)
Total expenditure	(35,495,282)	(86,247)	(35,581,529)
Net income	712,732	32,035	744,767
Company	Unrestricted Funds £	Restricted Funds £	2020 £
Income and endowments from:			
Donations and legacies	90,783	40,000	130,783
Charitable activities	36,060,268	78,282	36,138,550
Investment income	444,175	-	444,175
Other income	25,956	-	25,956
Total income and endowments	36,621,182	118,282	36,739,464
Expenditure on:			
Charitable activities	(36,014,109)	(86,247)	(36,100,356)
Total expenditure	(36,014,109)	(86,247)	(36,100,356)
Net income	607,073	32,035	639,108

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

6. Donations and legacies

Group and company	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Grants	18,000	-	18,000	50,309
Donations	32,559	-	32,559	80,474
Fundraising	-	-	-	-
	<u>50,559</u>	<u>-</u>	<u>50,559</u>	<u>130,783</u>

7. Charitable Activities

Group and company	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Alcohol and other drugs	4,658,677	376,670	5,035,347	3,723,802
Homelessness	8,054,610	-	8,054,610	7,247,256
Mental health	1,154,744	-	1,154,744	1,302,928
Housing support	1,387,707	-	1,387,707	2,008,560
Learning disability	18,465,468	-	18,465,468	17,874,636
Criminal justice	3,155,095	-	3,155,095	3,650,668
Housing management	331,467	-	331,467	330,700
	<u>37,207,768</u>	<u>376,670</u>	<u>37,584,438</u>	<u>36,138,550</u>

8. Investment income

Group	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Bank interest	<u>5,500</u>	<u>-</u>	<u>5,500</u>	<u>31,007</u>
 Company	 Unrestricted Funds £	 Restricted Funds £	 2021 £	 2020 £
Bank interest	4,680	-	4,680	23,182
Amounts received from subsidiary undertaking – Gift Aid	526,652	-	526,652	420,993
	<u>531,332</u>	<u>-</u>	<u>531,332</u>	<u>444,175</u>

TURNING POINT SCOTLAND

**Notes to the Consolidated Financial Statements
For the year ended 31 March 2021**

9. Expenditure on charitable activities

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2021 £
Activities undertaken directly	4,248,590	6,914,933	1,041,106	1,256,479	16,255,955	2,865,954	63,669	32,646,686
Support costs (note 10)	447,250	727,936	109,597	132,269	1,711,269	301,701	6,702	3,436,724
	<u>4,695,840</u>	<u>7,642,869</u>	<u>1,150,703</u>	<u>1,388,748</u>	<u>17,967,224</u>	<u>3,167,655</u>	<u>70,371</u>	<u>36,083,410</u>
Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2021 £
Activities undertaken directly	4,248,590	6,914,933	1,041,106	1,256,479	16,255,953	2,865,954	63,669	32,646,684
Support costs (note 10)	516,291	840,310	126,515	152,688	1,975,437	348,274	7,736	3,967,251
	<u>4,764,881</u>	<u>7,755,243</u>	<u>1,167,621</u>	<u>1,409,167</u>	<u>18,231,390</u>	<u>3,214,228</u>	<u>71,405</u>	<u>36,613,935</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

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 2020 £
Activities undertaken directly	3,314,793	6,090,971	1,203,675	1,853,355	15,912,824	3,275,186	83,086	31,733,890
Support costs (note 10)	401,908	738,513	145,942	224,714	1,929,382	397,106	10,074	3,847,639
	<u>3,716,701</u>	<u>6,829,484</u>	<u>1,349,617</u>	<u>2,078,069</u>	<u>17,842,206</u>	<u>3,672,292</u>	<u>93,160</u>	<u>35,581,529</u>

Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2020 £
Activities undertaken directly	3,314,793	6,090,971	1,203,675	1,853,355	15,912,824	3,275,186	83,086	31,733,890
Support costs (note 10)	456,103	838,096	165,621	255,015	2,189,546	450,653	11,432	4,366,466
	<u>3,770,896</u>	<u>6,929,067</u>	<u>1,369,296</u>	<u>2,108,370</u>	<u>18,102,370</u>	<u>3,725,839</u>	<u>94,518</u>	<u>36,100,356</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

10. Support costs

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

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

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

TURNING POINT SCOTLAND

**Notes to the Consolidated Financial Statements
For the year ended 31 March 2021**

10. Support costs (continued)

Comparative year:

Group	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2020 £
Salaries	280,142	514,765	101,726	156,632	1,344,837	276,795	7,022	2,681,919
Operating costs	105,464	193,792	38,296	58,967	506,286	104,204	2,643	1,009,652
Property running costs	8,667	15,927	3,147	4,846	41,608	8,564	217	82,976
Maintenance costs	4,053	7,447	1,472	2,266	19,456	4,004	102	38,800
Governance costs (note 11)	3,582	6,582	1,301	2,003	17,195	3,539	90	34,292
	<u>401,908</u>	<u>738,513</u>	<u>145,942</u>	<u>224,714</u>	<u>1,929,382</u>	<u>397,106</u>	<u>10,074</u>	<u>3,847,639</u>

Company	Alcohol and other drugs £	Homeless- ness £	Mental health £	Housing support £	Learning disability £	Criminal justice £	Housing management £	Total 2020 £
Salaries	269,496	495,201	97,860	150,679	1,293,725	266,275	6,755	2,579,991
Operating costs	153,079	281,284	55,586	85,590	734,863	151,250	3,839	1,465,491
Property running costs	8,667	15,927	3,147	4,846	41,609	8,564	217	82,977
Maintenance costs	4,053	7,447	1,472	2,266	19,456	4,004	101	38,799
Management fee to TPSS	17,331	31,847	6,293	9,690	83,200	17,124	433	165,918
Governance costs (note 11)	3,477	6,390	1,263	1,944	16,693	3,436	87	33,290
	<u>456,103</u>	<u>838,096</u>	<u>165,621</u>	<u>255,015</u>	<u>2,189,546</u>	<u>450,653</u>	<u>11,432</u>	<u>4,366,466</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 2021

11. Governance costs

Group	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Audit fees	32,393	-	32,393	33,542
Board running costs	-	-	-	750
	<u>32,393</u>	<u>-</u>	<u>32,393</u>	<u>34,292</u>
Company				
Audit fees	31,393	-	31,393	32,540
Board running costs	-	-	-	750
	<u>31,393</u>	<u>-</u>	<u>31,393</u>	<u>33,290</u>

12. Employees

Group	2021 £	2020 £
Staff costs consist of:		
Wages and salaries	28,301,091	27,251,919
Social security costs	2,045,405	1,967,905
Death in service insurance	99,371	92,414
Pension costs	799,964	747,282
Past service pension deficit – change in assumptions	(121,000)	(459,000)
	<u>31,124,831</u>	<u>29,600,520</u>
Company		
Staff costs consist of:		
Wages and salaries	28,193,516	27,353,849
Social security costs	2,045,405	1,967,905
Death in service insurance	99,371	92,414
Pension costs	799,964	747,282
Past service pension deficit – change in assumptions	(121,000)	(459,000)
	<u>31,017,256</u>	<u>29,702,450</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

12. Employees (cont'd)

Group and company

The pension costs of £799,964 (2020: £747,282) 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 £360,000 (2020: £414,100) 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:

	2021 No.	2020 No.
Salaried	1,202	1,177
Sessional	167	218
	<u>1,369</u>	<u>1,395</u>

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

	2021 No.	2020 No.
£60,000 - £70,000	3	3
£80,000 - £90,000	-	-
£90,000 - £100,000	1	1
	<u>4</u>	<u>4</u>

The total cost of pension contributions to the defined contribution scheme in the year for staff paid more than £60,000 was £11,281 (2020: £8,844).

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.

	2021 £	2020 £
Key management personnel emoluments	314,937	295,536
Employer's social security contributions in relation to key management personnel	37,009	36,028
Key management personnel pension contributions	11,281	19,046
	<u>363,227</u>	<u>350,610</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 2021

14. Net income/(expenditure)	2021 £	2020 £
Group		
Net income for the year is stated after charging:-		
Auditor's remuneration:		
- For audit services	25,050	25,950
- For taxation compliance services	1,330	1,735
- For accountancy services	2,856	2,305
Depreciation of fixed assets	113,387	96,409
Loss on sale of fixed assets	-	900
Operating lease rentals	812,370	789,710
	<u>812,370</u>	<u>789,710</u>
Company	2021 £	2020 £
Net income for the year are stated after charging:-		
Auditor's remuneration:		
- For audit services	23,400	24,350
- For taxation compliance services	-	450
- For accountancy services	1,664	1,404
Depreciation of fixed assets	113,387	96,409
Loss on sale of fixed assets	-	900
Operating lease rentals	812,370	789,710
	<u>812,370</u>	<u>789,710</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 2020	4,820,536	105,373	56,442	144,823	5,127,174
Additions	8,508	16,976	-	-	25,484
Disposals	-	(24,657)	-	-	(24,657)
	<u>4,829,044</u>	<u>97,692</u>	<u>56,442</u>	<u>144,823</u>	<u>5,128,001</u>
At 31 March 2021	4,829,044	97,692	56,442	144,823	5,128,001
Depreciation:					
At 1 April 2020	96,409	105,373	56,442	144,823	403,047
Provided for in the year	96,411	16,976	-	-	113,387
On Disposals	-	(24,657)	-	-	(24,657)
	<u>192,820</u>	<u>97,692</u>	<u>56,442</u>	<u>144,823</u>	<u>491,777</u>
At 31 March 2021	192,820	97,692	56,442	144,823	491,777
Net book value:					
At 31 March 2021	4,636,224	-	-	-	4,636,224
At 31 March 2020	4,724,127	-	-	-	4,724,127

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

16. Tangible assets (cont'd)

The properties were revalued in March 2019 by DM Hall, Chartered Surveyors and RICS, Chartered Surveyors, at market value on a vacant possession basis.

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

	2021 £	2020 £
Cost	5,653,920	5,653,920
Accumulated depreciation	(1,717,119)	(1,604,041)
Net book value	<u>3,936,801</u>	<u>4,049,879</u>

17. Fixed asset investments

	Group £	Company £
Cost and net book value At 1 April 2020 and 31 March 2021	-	1

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

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

During its latest financial year, Turning Point Scotland Services Limited had turnover of £30,680,045 (2020: £31,400,968), expenditure of £30,148,700 (2020: £30,874,316) and made a profit after tax of £531,345 (2020: £526,652). At the end of the year, Turning Point Scotland Services Limited had assets of £3,611,365 (2020: £3,757,229), liabilities of £3,062,225 (2020: £3,212,781) and capital and reserves of £549,141 (2020: £544,448).

18. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	4,051,570	3,799,075	949,992	327,555
Amounts due from group undertakings	-	-	2,301,108	2,420,774
Other debtors	173,049	269,305	173,049	269,305
Prepayments	205,456	158,341	205,456	158,341
	<u>4,430,075</u>	<u>4,226,721</u>	<u>3,629,605</u>	<u>3,175,975</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

19. Cash at bank and in hand	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank	7,312,679	5,411,881	6,802,891	5,126,172
Bank accounts held in trust	1,937,349	1,307,952	1,937,349	1,307,952
	<u>9,250,028</u>	<u>6,719,833</u>	<u>8,740,240</u>	<u>6,434,124</u>

20. Creditors: amounts falling due within one year	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	344,108	316,209	344,108	316,209
Taxation and social security	1,246,600	1,234,679	498,646	479,321
Pensions	179,416	175,357	179,416	175,357
Other creditors	89,546	159,244	89,546	159,244
Creditor in respect of bank accounts held in trust	1,937,349	1,307,952	1,937,349	1,307,952
Accruals	468,335	600,906	455,172	564,257
Deferred income	506,408	2,606	506,408	2,606
	<u>4,771,762</u>	<u>3,796,953</u>	<u>4,010,645</u>	<u>3,004,946</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	
	2021	2020	2021	2020
	£	£	£	£
At 1 April	2,606	5,924	2,606	5,924
Deferred during the year	506,408	2,606	506,408	2,606
Less: released in year	(2,606)	(5,924)	(2,606)	(5,924)
At 31 March	<u>506,408</u>	<u>2,606</u>	<u>506,408</u>	<u>2,606</u>

21. Provisions

Group and Company	2021 £	2020 £
Defined benefit pension scheme – past service deficit contributions (note 26)	<u>4,464,000</u>	<u>4,592,000</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

22. Reserves

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

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

Comparative year:

	At 1 April 2019	Transfer to unrestricted funds	Retained for year	At 31 March 2020
Group	£	£	£	£
Restricted development reserves	118,400	-	32,035	150,435

Unrestricted funds	At 1 April 2019 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2020 £
General development reserve	3,656,855	-	608,129	(289,898)	3,975,086
<i>Designated reserves</i>					
Maintenance	412,690	-	66,822	-	479,512
Fundraising	123,040	-	12,075	-	135,115
Human resources	-	-	-	-	-
Capital	489,006	-	-	(1,344)	487,662
Service development	1,123,878	-	51,626	291,242	1,466,746
Revaluations	613,092	-	(25,920)	-	587,172
	6,418,561	-	712,732	-	7,131,293

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

22. Reserves (continued)

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

Comparative year:

Company	At 1 April 2019 £	Transfer to unrestricted funds £	Retained for year £		At 31 March 2020 £
Restricted development reserves	118,400	-	32,035		150,435
Unrestricted funds	At 1 April 2019 £	Transfer from restricted funds £	Retained for year £	Transfer between funds £	At 31 March 2020 £
General development reserve	3,218,067	-	502,470	(289,898)	3,430,639
<i>Designated reserves</i>					
Maintenance	412,690	-	66,822	-	479,512
Fundraising	123,040	-	12,075	-	135,115
Human resources	-	-	-	-	-
Capital	489,006	-	-	(1,344)	487,662
Service development	1,123,878	-	51,626	291,242	1,466,746
Revaluations	613,092	-	(25,920)	-	587,172
	5,979,773	-	607,073	-	6,586,846

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

22. Reserves (continued)

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

Included within restricted funds are the following amounts:

- £22,000 from Aberdeen Alcohol Support Services to be spent in Aberdeen on supporting people with substance use issues.
- £40,000 received as a donation to be spent on substance misuse services in Glasgow.
- £376,670 received from the CORRA Foundation for the running of the Near Fatal Overdose Service

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 2021

23. Allocation of net assets between funds

	Unrestricted £	Restricted £	2021 Total £
Group			
Fixed assets	4,636,224	-	4,636,224
Net current assets	8,594,967	313,374	8,908,341
Provisions	(4,464,000)	-	(4,464,000)
	<u>8,767,191</u>	<u>313,374</u>	<u>9,080,565</u>
Company			
Fixed assets	4,636,225	-	4,636,225
Net current assets	8,045,826	313,374	8,359,200
Provisions	(4,464,000)	-	(4,464,000)
	<u>8,218,051</u>	<u>313,374</u>	<u>8,531,425</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:

	2021 £	2020 £
Operating leases which expire:		
Not later than one year	814,660	812,370
Later than one year and not later than five years	251,553	241,878
Later than five years	565,933	544,225
	<u>1,632,146</u>	<u>1,598,473</u>

25. Contingent liabilities

The company received a grant of £242,596 during 2002 from the National Lottery Charity Board to finance the purchase of a property at 45-49 Holburn Street, Aberdeen. The grant is repayable in full if the property is sold within 80 years of the grant being awarded. In previous years, between 2001 and 2004, grants of £541,060 have been received from Argyll & Clyde Health Board, Renfrewshire Council and Inverclyde Council toward the purchase of Glenfield Avenue, Phoenix Grove, Annetyard Drive, Turnhill Drive and Station Wynd which are repayable if the properties are sold within 25 years of their purchase date.

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

26. Pensions

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

The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable then being determined by Pension Trustees on advice of the actuary. The major assumptions used by the actuary were:

Price inflation	3.15%
Rate of increase to pensions in payment	0.0 – 3.4%
Rate used to discount scheme liabilities	2.1 – 3.1%

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

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

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

During the year ended 31 March 2021, payments of £360,000 (2020: £414,100) have been made towards the deficit in accordance with the recovery plan. The estimated remaining liability of £6,772,000 has been discounted to the net present value of the future cash flows using a market rate of interest for a similar debt instrument in accordance with FRS102. The total net present value of the future cash flows is £4,592,000.

	2021 £	2020 £
Past service deficit repayment liability		
Provisions at 1 April	4,592,000	5,381,000
Unwinding of the discount factor (interest charge)	111,000	84,000
Deficit contributions paid	(360,000)	(414,000)
Remeasurements – impact of any change in assumptions	121,000	(192,000)
Experience gain	-	(267,000)
Provision at 31 March	<u>4,464,000</u>	<u>4,592,000</u>

	2021 £	2020 £
Liability is due to be paid as:-		
Due within one year	342,000	355,000
Due within one to two years	350,000	335,000
Due within two to five years	1,094,000	1,020,000
Due in more than five years	2,678,000	2,882,000
	<u>4,464,000</u>	<u>4,592,000</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

27. Capital commitments

There were no capital commitments at 31 March 2021 or 31 March 2020.

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

	2021	2020
Group	£	£
Net income	1,798,837	744,767
Bank interest received	(5,500)	(31,007)
Depreciation of tangible fixed assets	113,387	96,409
Decrease in debtors	(203,354)	(656,956)
Increase in creditors	974,809	398,327
Decrease in provisions	(128,000)	(789,000)
Gain on fixed asset disposal	-	900
Net cash provided by operating activities	<u>2,550,179</u>	<u>(236,560)</u>

	2021	2020
Company	£	£
Net income	1,794,144	639,108
Bank interest received	(4,680)	(23,182)
Depreciation of tangible fixed assets	113,387	96,409
Decrease in debtors	(453,630)	(341,428)
Increase in creditors	1,005,699	218,737
Decrease in provisions	(128,000)	(789,000)
Gain on fixed asset disposal	-	900
Net cash provided by operating activities	<u>2,326,920</u>	<u>(198,456)</u>

29. Analysis of changes in net funds

	1 April 2020 £	Cash flows £	31 March 2021 £
Cash at bank and in hand	<u>6,719,833</u>	<u>2,530,195</u>	<u>9,250,028</u>

TURNING POINT SCOTLAND

Notes to the Consolidated Financial Statements For the year ended 31 March 2021

30. Related party transactions

The trustees receive no remuneration for fulfilling their role as trustees. Total travel expenses of £nil (2020: £280) were reimbursed to nil trustees (2020: 1 trustee) during the year.

Turning Point Scotland operates contracts on behalf of Turning Point Scotland Services Limited, its 100% owned subsidiary. During the year, Turning Point Scotland invoiced a sum of £30,033,201 (2020: £31,227,223) to its subsidiary in respect of these contracts. In addition, £107,575 (2020: £101,930) in payroll costs were recharged to the subsidiary for management services provided and Turning Point Scotland Services Limited invoiced Turning Point Scotland £178,592 (2020: £165,921) as a management fee and covenanted £420,993 (2020: £420,993) to Turning Point Scotland.

The amount due from Turning Point Scotland Services Limited at 31 March 2021 is £2,301,108 (2020: £2,420,774). The amounts outstanding are unsecured for cash settlement in accordance with usual terms.