

The Richmond Fellowship Scotland

Financial Statements

For the Year ended 31st March 2025

Co-operative and Community Benefit Society No: 2450R(S)
Scottish Charity No: SC 021621

The Richmond Fellowship Scotland

Financial Statements Year ended 31st March 2025

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**Report of the Management Committee
Year ended 31st March 2025**

Reference and Administrative details

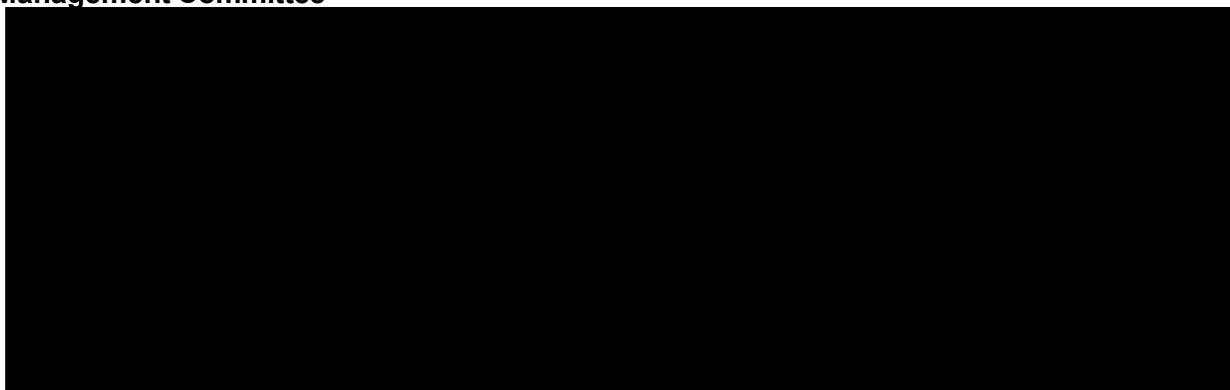
The Richmond Fellowship Scotland (TRFS) is a registered society under the Co-operative and Community Benefit Societies Act 2014 and a registered Scottish charity.

It is governed by its rules as approved by the Register of Friendly Societies.

The Trustees of the Charity are the Management Committee who are appointed by the members at the Annual General Meeting.

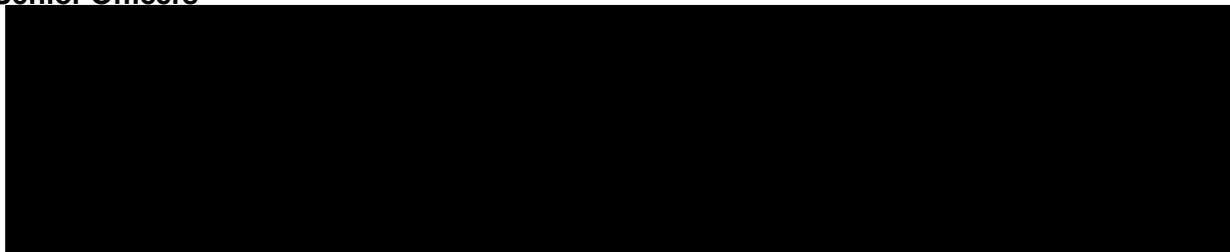
The names of the members of the Management Committee and Senior Officers who served during the year are set out below:

Management Committee



Each member of the Management Committee at 31st March 2025 holds one share of £1 each in the Charity.

Senior Officers



Report of the Management Committee (Continued)
Year ended 31st March 2025

Registered Office	3 Buchanan Gate Cumbernauld Road Stepps Glasgow G33 6FB
Registered Scottish Charity No.	SC021621
Registered Co-operative and Community Benefit Society No.	2450R(S)
Charity Regulator	Office of the Scottish Charity Regulator Quadrant House 9 Riverside Drive Dundee DD1 4NY
Care Regulator	Care Inspectorate Compass House 11 Riverside Drive Dundee DD1 4NY
Bankers	The Royal Bank of Scotland 339 Byers Road Glasgow G12 8QP
Investment Managers	Brewin Dolphin 12 Smithfield Street London EC1A 9LA
Auditor	BDO LLP 2 Atlantic Square 31 York Street Glasgow G2 8NJ
Solicitors	Brechin Tindal Oatts 48 St. Vincent Street Glasgow G2 5HS

Report of the Management Committee (Continued)
Year ended 31st March 2025

Objectives and Activities

The legal objects of The Richmond Fellowship Scotland (TRFS), as laid out in the Charity's rules are:

The relief of those who are vulnerable and in need of support, care, advice, or other assistance due to reasons of their vulnerability.

TRFS will or may do this through: -

- 1 The advancement of health and wellbeing;
- 2 The advancement of education;
- 3 The advancement of citizenship or community development;
- 4 The provision of recreational facilities or the organisation of recreational activities, with the objective of improving the conditions of life for the persons for whom the facilities or activities are primarily intended;
- 5 The relief of those in need. This may be by reason of age, ill-health, disability, financial hardship or other disadvantage and any other purpose that may reasonably be regarded as analogous to any of the preceding purposes; and
- 6 The prevention or relief of poverty.

In order to achieve the objectives and aims of the charity, TRFS develops and delivers high quality, flexible and responsive person-centred Social Care support services to a large number of vulnerable people.

We work in close partnership with a variety of funders such as Local Authority Social Work services to deliver on the assessment of need and national social care agendas. Many of our services are innovative and are well supported by motivated and skilled staff, managers and support functions within the organisation.

We will continue to review our objectives and activities to ensure that we are well placed to meet the needs of the people and the communities we support. A review of the governing Rules, by the Management Committee, took place in February 2024.

Introduction

The Management Committee has great pleasure in submitting their annual report and accounts for the year ended 31 March 2025. In preparing this report the Management Committee have complied with the Co-operative and Community Benefit Societies Act 2014, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Accounts (Scotland) Regulations 2006 and the Memorandum and Articles and Constitution of TRFS.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Our Mission

TRFS's mission is to be a charity that strives to respond to: -

- 1 The People who need our support and services.
- 2 The Commissioners who have responsibility for identifying people's needs.
- 3 The Family and Relatives who play such an important part in people's lives.
- 4 The Staff who deliver services and change peoples' lives for the better.
- 5 The Regulators who have a responsibility for national standards.
- 6 The Communities that people live in.

TRFS offers and delivers a range of support and care services to meet all levels of need, including people who require support in relation to their Mental Health, Learning Disability, Being Older, Alcohol Related Brain Damage, Autism, Forensic issues, etc. Our services can be in the person's home and community, in small group settings or core and cluster provision as some examples. We aim to provide services that work for vulnerable people.

Our Mission is to develop and deliver best personal supports that listen to what people want and achieve what matters for the person. We recognise that people do have complex lives and that they face challenges, but we also recognise their contributions and the worth they bring. We believe that people are unique and entitled to a fulfilling life and our staff strive to promote and achieve the following outcomes for the people we support:

- 1 Achieve things
- 2 Make connections
- 3 Stay well
- 4 Be responsible
- 5 Have fun
- 6 Get involved
- 7 Feel good
- 8 Be safe
- 9 Lead your life

People we support come first in our thinking and we will ensure that our services are Personalised, Respectful, Imaginative, Flexible, Problem solving, Outcome focussed and Cost Effective

Report of the Management Committee (Continued)
Year ended 31st March 2025

Structure, Governance and Management

The members of the Management Committee are legally responsible for the governance and the overall management of TRFS.

Management Committee Members are elected by the Members at the Annual General Meeting but can be co-opted by the Management Committee pending election, in the intervening period. Management Committee Members are inducted into the work of TRFS and their role as trustees on appointment. There are currently seven elected members of the Management Committee who bring an extensive range of skills, experience and knowledge to the governance and management of the organisation. The Management Committee Members are supported by the charity's officers to maintain and develop their skills and knowledge on an ongoing basis.

The Management Committee has adopted a unitary board approach to governance which affords greater knowledge, skill, and ownership. The Management Committee meets on eight occasions throughout the year, with an additional Annual General Meeting. An annual Management Committee Work Schedule has been developed which details the key areas of reporting throughout the year including financial and operational performance, governance, strategy, remuneration and risk. In addition, at the scheduled meetings, the Management Committee will consider presentations on key areas for decision making, expenditure and practice developments.

The Management Committee is attended by the Chief Executive, who is also a member of the Management Committee, and the Executive Directorate Team.

A Trustee's Register of Interests is completed by Management Committee members to mitigate against the possibility of any conflicts of interests.

Day-to-day management of TRFS is carried out by the Chief Executive and the Executive Directors.

Remuneration policies

TRFS meets its contractual obligation to all staff regarding the payment of the Adult Social Care living wage.

The level of remuneration made to front line staff beyond its contractual obligation to pay the Scottish Living Wage is set by the level of funding received from TRFS's Local Authority partners and is considered by the Chief Executive and Executive Directors.

On an annual basis the Management Committee will consider a pay award for staff. Pay awards have to consider issues of affordability, recruitment, and retention to ensure we have the right talent at the right level within the organisation.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Remunerations Policies (Continued)

The pay award for the Chief Executive Officer and Executive Directors is considered annually by the members of Management Committee, excluding the Chief Executive Officer for his remuneration consideration, and takes as its reference point the pay award made to all other members of staff as a guide to executive salary increases.

Relationships

We believe in working closely with Local Authorities and other partners to achieve the aims and objectives of the organisation. Austen Smyth, the Chief Executive, is a Board member of the Coalition of Care and Support Providers in Scotland (CCPS) and contributes to national consultation exercises and national social care issues as they arise. Our CEO works in close collaboration with a small grouping of CEO's, (with the same value base), from the Social Care Charity Sector, to raise awareness and to advocate on key issues for Social Care.

Officers and staff at all levels within the charity maintain effective links with corresponding responsible officers within Local Authorities etc. We co-produce support packages with the people we support and responsible Social Work Service Care Managers to ensure services and support meet people's needs and the outcomes they have identified.

Achievements & Performance

To the 31st March 2025 TRFS generated a Surplus of £8,126k, an increase of £652k against last year. The Surplus includes Dividends and Interest of £2,130k from Investments and Deposits and a Net Gain on Investments of £162k, a combination of a £83k realised gain and an unrealised gain of £79k.

The Net Assets of the organisation now stand at £88,722k (2024: £80,596k) with Net Current Assets of £52,154k (2024: £44,063k).

Income from the provision of care services in the year, which is our charitable purpose, was £115,589k in financial year 2024/25 representing 98.19% of total TRFS income. In comparison to financial year 2023/24 care provision income grew by £14,225k or 14.03% of which £8,795k came from funding for the increase in the Scottish Living Wage from £10.90 per hour to £12.00 per hour for frontline staff from the start of April 2024. Uplifts to care rates as a result of the Scottish Living Wage uplift were agreed with all 28 Local authorities and as at the 31st March 2025 all funding has been received and accounted for.

As at 31st March 2025 TRFS was providing care services to 2,120 individuals across 136 services within 28 Scottish Local Authority areas.

While the sector remained a challenging one in 2024/25, beyond this we grew our provision levels and our Income by £5,430k or 5.35%. In 19 of the 28 Local Authorities areas in which we

Report of the Management Committee (Continued)
Year ended 31st March 2025

Achievements & Performance (Continued)

operated we saw real terms growth, significantly in Glasgow, Perth and Kinross, Angus, West Lothian and East Ayrshire. The £12,257k, or 12.57%, increase in costs against last year was mainly due to the additional payroll costs generated by the increase in the Scottish Living Wage and TRFS growing provision levels in real terms.

In 2024/25 we submitted 15 tenders and were successful in winning 11 of these, a success rate of 73%. 11 of the tenders were new ‘standalone’ services of which we were successful in 10 worth a combined value of £4,243k per annum. The other 4 tenders were to remain on existing frameworks and all 4 were successful. Successful tenders saw us return to Moray with new Care Home service and to significantly increase our presence in Aberdeen City with an 8 person complex needs service and 1st ranking on the Complex Needs Framework.

Our continuing success in being a provider of choice is predicated on our ability to deliver a high quality of care to some of the most vulnerable people in our society and as at 31st March 2025 TRFS had a total of 194 Care Inspectorate grades spread across 47 Care Inspectorate registered service. 98% of the grades held were assessed as ‘Good’, ‘Very Good’ or ‘Excellent’. This is 6% improvement on the previous year. There were no grades that were assessed as below Adequate with 110 grades, 56%, assessed as ‘Very Good’ or ‘Excellent’. Only 4 grades were seen as adequate, and we have put a plan in place to bring these grades up to a higher standard.

Feedback on our services from the people we support and other stakeholders is important to us and helps to inform our practice and our strategies going forward. Part of that process of gathering feedback is through our two annual surveys, the ‘How well are we doing’ survey for the people we support and the ‘How well do we do’ survey for the families and carers of the people we support. Below are the results of the 2024/25 surveys.

How Well Are We Doing Survey - People We Support

The results of the survey are as follows:

		<u>Always/Usually</u>
1.	Has your support helped you to feel safe?	94.7%
2.	Has your support helped your wellbeing over the past year past year?	90.5%
3.	Do you feel your staff listen to you and respect you?	90.8%
4.	Have we given you as much choice as possible to shape your support over the past year?	88.6%
5.	Has your support helped you to stay connected to the important people in your life during the last year?	88.8%

Report of the Management Committee (Continued)
Year ended 31st March 2025

Achievements & Performance (Continued)

How Well Are We Doing Survey - People We Support (Continued)

		<u>Always/Usually</u>
6.	Did we provide you with opportunities to have as much fun as possible in the last year?	84.9%
7.	When you have been unable to get out into your community, has your support helped you to do other things you enjoy?	84.1%
8.	Do we give you the right support?	91.3%
9.	Do we help you to achieve the things that matter to you?	90.1%
10.	Do you feel your service is well managed?	88.3%

Our ‘How Well Are We Doing?’ The survey resulted in 746 responses, an increase of 49 responses on the 2024 survey and representing 35.2% of the people that we support, up 4.2% on last year.

All scores had a satisfaction level in excess of 80% of participants and in five out of the ten questions the satisfaction level was in excess of 90% of participants. The highest approval rating was 94.7% for ‘Has your support helped you to feel safe?’ while the lowest rating score at 84.1% was for the question ‘When you have been unable to get out into your community, has your support helped you to do other things you enjoy?’

We look positively on these survey results particularly the 94.7% who responded that their support helped them to feel safe, the 91.3% of respondents who felt that ‘always’ or ‘usually’ we did give the right support and the 93.5% that tell us that the support given in the last year ‘always’ or ‘usually’ helped their wellbeing.

The results of previous surveys have been used to set the goals and objectives of our Strategic Plan for 2024-27 with an emphasis on fun, participation in local communities and connections with families. We will use the results of the surveys conducted during the span of the Strategic Plan 2024 to 2027 to help measure the plans' progress and to understand where we are performing well and where we need to have a greater focus. Our lowest scores relate to fun and community involvement which are key elements of the Strategic Plan for 2024 to 2027.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Achievements & Performance (Continued)

How Well Do We Do – Families and Carers

The results of the survey are as follows:

		<u>Always/Usually</u>
1.	Do you receive enough information about the support TRFS provides to your family?	82.6%
2.	Do you feel informed about any relevant changes to the support your family member receives	82.4%
3.	Do you know how and who to contact in the service if you have anything you wish to discuss?	96.1%
4.	Do you have the opportunity to discuss any questions or concerns you have about the support?	93.9%
5.	Do staff listen and respond to any suggestions or comments you make?	92.1%
6.	Do you think The Richmond Fellowship Scotland staff are well matched for your family member?	86.5%
7.	Do you feel the service your family member receives is well managed?	86.3%
8.	Do you feel we provide consistent staffing?	80.4%
9.	Do you feel the staff supporting your family member have the appropriate skills and knowledge?	84.6%
10.	Do you feel we help keep your family member safe?	98.3%
11.	Do you feel the support has helped maintain your family member's wellbeing over the past year?	93.5%
12.	Do staff listen to and respect your family member?	96.5%

Report of the Management Committee (Continued)
Year ended 31st March 2025

Achievements & Performance (Continued)

How Well Do We Do – Families and Carers (Continued)

		<u>Always/Usually</u>
13.	Do you feel over the past year we have given your family member as much choice as possible to shape their support?	86.0%
14.	Do you feel we have provided opportunities for your family member to have as much fun as possible in the last year?	84.2%
15.	Do you feel we helped your family member stay as active or involved as they can be in their community throughout the last year?	85.4%
16.	Do we support your family member to achieve the things that matter to them?	87.2%

We received 236 returns this year, an increase of 62 responses or 35.6% increase on the survey carried out in 2023/24.

The highest positive return of 98.3% from respondents came from the question ‘Do you feel we help keep your family member safe’ while the lowest return was 80.4% from respondents from the question ‘Do you feel we provide consistent staffing’. Once more respondents scored over 80% for all questions with 6 of the 16 questions gaining a respondent’s approval rating of over 90%.

Our lowest score of 80.4% is in response to the question ‘Do you feel we provide consistent staffing?’ and this is perhaps symptomatic of the challenging recruitment environment in which we work and the high turnover of staff we have. Once more we have recognised this as an ongoing problem and have a goal in our Strategic Plan dedicated to staff, their retention and their recruitment.

Our objective is to help the people we support to achieve a high quality of life. To that end, we are unique amongst major Scottish social care providers in that we make a commitment in our Mission and Values statement to help the people we support to ‘have fun!’ and we back that outcome with a set of unique TRFS resources.

One of the resources we commit is our dedicated ‘Fun Team’ that was established in 2022/23. The team consisting of two specialist ‘Fun Achievers’ collaborates with our services to bring opportunities for people we support to have fun, experience new things; and to have the opportunity to build meaningful social connections and friendships. In 2024/25 the ‘Fun Team’ delivered 193 activities and events across the organisation with 1,066 attendances from supported people.

Achievements & Performance (Continued)

The Fun Team delivers monthly programmes of face-to-face and online activities advertised on the front page of our organizational intranet; staff emails and our social media channels. In 2024/25 as well as activities that could be done within the services the team arranged kayaking lessons, jewellery making workshops. RLNI lifeboat tours, canal boat cruises, trips to the Falkirk Wheel, the National Childhood Museum, the Burrell Collection, and a Christmas Pantomime. In addition, the Fun Team continue to support our annual programme of Participatory Funding celebration events.

Another unique resource we use to promote our outcome to 'Have Fun!' is our 'Participatory Funding' budget where we allocate £100k to the people we support to come up with activities, projects or equipment needs that would benefit their particular service.

The 'bids' for activities, projects or equipment needs are presented by the supported people to their peers at regional fun events and they then have the opportunity to vote for the ones they liked best and therefor the ones they wanted to allocate money to. Projects and events that received funding included themed parties, barbecues, sensory equipment, garden furniture and equipment, theatre and pantomime visits and a variety of away days to zoos, safari parks and other places of interest. Across the four operational regions approximately 2,819 people we support benefited from this fund in 2024/25, with many benefitting from more than one event or project.

Our Todhill Farm site in North Ayrshire provides us with a great natural resource offering environmental diversity, woodlands and wetlands and we were pleased to enhance that resource in the year with the opening of our four new luxury lodges. The lodges are available to both people we support for free, and to staff for a small nominal fee to enjoy 3 or 4 night short breaks in this beautiful setting where the visitors can barbecue, lounge on their verandas or be more energetic by taking walks, visit local places of interest, or have a cycle on the bikes that we provide on-site. In our first year we had 304 bookings, a 74.5% occupancy rate, of which 166 were people we support and 138 were staff members.

Our ability to deliver high quality services is down to the professionalism and dedication of our staff group across all areas of our organisation. As at 31st March 2025 we employed 3,573 staff of which 2,951 were substantive staff and 622 were Bank staff.

The recruitment and retention of staff remains a challenge not only for TRFS but for the sector as a whole. Despite this staff turnover in the year was 18.61% against a previous year turnover of 26.16% a reduction of almost 29%. Sponsoring non-Uk nationals currently in the UK and on time limited visas was a key and successful strategy for us in 2024/25 and we now have 336 sponsored workers deployed across our services. In the first instance we will look to use this strategy to retain non-UK nationals who already work with us but in the medium to longer term this gives us access to a much wider pool of potential staff.

The organisation has invested heavily in its recruitment resources and has become more innovative in its recruitment process with greater use being made of social media. All live

Report of the Management Committee (Continued)
Year ended 31st March 2025

Achievements & Performance (Continued)

vacancies are posted on Facebook, Instagram, and local Facebook groups creating greater visibility, awareness and leading to higher levels of engagement from potential employees.

TRFS has also brought LinkedIn management in-house, allowing for more frequent and consistent posting of current vacancies, organizational updates, staff achievements and good news stories giving TRFS greater reach in terms of potential employees, greater awareness of the organisation's work and providing a platform for strategic networking and visibility within the nonprofit and care recruitment sectors.

We have established partnerships with colleges across Scotland to build a recruitment pipeline directly from education into employment at TRFS. We have had regular student talks and held careers events at several colleges. We believe that early engagement with students creates strong grassroots awareness of TRFS among future jobseekers and reinforces our presence as an employer of choice for young people entering the sector.

In 2024/25 the Learning and Development Department inducted 749 new staff into our organisation working closely with their operational colleagues to ensure that each new staff member was able to provide the quality of support in a safe and compliant manner and to the high standard we expect. In addition, we had 220 staff at all levels who completed their Scottish Vocational Qualifications (SVQ's), our frontline staff at level 2, our Senior Support Workers at levels 3 and 4, and our Team Managers at level 4 and in gaining management and leadership awards. This is the second consecutive year that we have met our completions target.

Our Learning & Development team offers 69 online training courses, up 6 from last year, and 48 classroom-based courses, a total of 117 courses. 48,826 e-learning courses were completed in 2024/25 with an additional 2,596 classroom sessions providing training for 12,375 attendees.

Significant new courses added to training in the year were Trauma Awareness, Assisting Supported Individuals with Finances, Community and Fun, Equality, Diversity, and Inclusion. There was continued focus on the roles and responsibilities of both Team Managers and Senior Support Workers and on rota management.

Skilling up our staff is also a key responsibility for our Positive Behaviour Support Team. They currently have three courses registered with Caledonian University in Glasgow. 11 managers completed the Advanced Practice in Positive Behaviour Support, 89 staff completed the Applied Practice in Active Support and 2 staff completed the Practice Leadership award in the Application of Active Support. In addition, 489 staff have completed the Positive Behaviour Support in Practice course.

The Positive Behaviour Support Team have also been active in reducing the use of restrictive practices in 2024/25 with 64 individuals having all restraints removed, 49 individuals having no use of restrictions in place and 98 individuals showing a reduced use of restrictions.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Achievements & Performance (Continued)

The Positive Behaviour Support Team are active in a number of networks and collaborations including:

- Health Improvement Scotland (HIS): Expert Reference Group for Coming Home
- Restraint Reduction Scotland Network
- PBS Community of Practice Scotland
- PBS Alliance UK
- Joint research and publication with Forensic Network NHS Scotland on Restraint Reduction Enablers
- SSSC PBS eBook Assessors (TRFS assess submissions to the SSSC from health and social care providers completing their PBS programme)

TRFS is an accredited Scottish Living Wage Employer guaranteeing that staff will be paid at the very least an hourly rate equivalent to the Scottish Living Wage, which in 2024/25, was £12.00 per hour, a 10.09% increase on the previous rate. In 2024/25 TRFS maintained its stance in 2024/25 of paying a positive differential of £0.40 above the Scottish Living Wage for frontline staff and those non-frontline staff who would have been subject to the Scottish Living Wage of £12.00 per hour, paying at least £12.40 per hour. This rate was not applied to sleepover provision which was paid at the Scottish Living Wage rate of £12.00 per hour.

In November 2024 the Management Committee awarded the remaining staff in the organisation with a 5.00% pay award which was backdated to 1st April 2024. TRFS not only ensures that all staff are paid in compliance with HMRC regulations on National Living Wage but surpasses that expectation with hourly payments of at least the Scottish Living Wage.

We once more set aside £40k for a Staff Participatory Fund in 2024/25 giving the staff groups the opportunity to bid for money that would fund activities or events that they could do together as a team. In addition to this the Management Committee approved £70k of funding as a 'Thank You' to staff with each staff member getting an allocation of £20 each that they could put towards an event, activity or individual gifts. This was released to them just before Christmas. As mentioned before staff also had access to our four luxury lodges at Todhill in North Ayrshire which for a small fee they could take family or friends to for a three or four night break.

We continue to hold our 'Gold' standard Investors in People (IIP) award but have an action plan in place to raise that award to 'Platinum' as part of our Strategic Plan for 2024 to 2027.

Social media is an important medium for us to demonstrate our worth and the good work that we do. In 2024/25 we published 499 good news stories and received 3,813,416 views / engagements on social media platforms (i.e., Facebook and Twitter) up 2,875,454 or 306% on last year.

In the area of health and safety We were successful in gaining our ISO45001 accreditation in 2024/25 which is an international standard that specifies requirements for an occupational health and safety management system. It provides a framework for our organisations to manage our risks and improve OH & S performance, ensuring a safe and healthy workplace for employees.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Achievements & Performance (Continued)

In November 2021 we introduced 'SafeCall', an independent external whistleblowing reporting telephone hotline and an online reporting facility 'SafeCall' reported complaints are monitored and triaged by the Development Team who then escalate to relevant operational Managers via the protocols set out in our Whistleblowing and Complaints policies. In 2024/25 we received 5 complaints, down 4 from last year, raised via 'SafeCall'. 4 reports were not upheld while 1 was partially upheld.

Net Capital Expenditure in 2024/25 was £668k, £556k being spent on in properties and £112k on IT and fixtures and fittings. The property spend includes the purchase of a new office in Dumfries, a house in Glasgow, the refurbishment of a bungalow on our Todhill site in North Ayrshire and professional fees in relation to a potential new service in Renfrewshire. In the year we also sold a property in Glasgow which had cost £223k. Our IT spend in the year was £50k as we continued to upgrade our IT infrastructure and elsewhere our other major spend was on polytunnels for our day services at our Todhill site in North Ayrshire.

Following our cyber incident in January 2024 we have looked to strengthen our cyber resilience, and we have defended our own systems through:

- Protecting all laptops with anti-virus software and firewalls
- Rolling out Multi Factor authentication to access applications.
- Migrating all data to SharePoint.
- Upgrading our servers to Window 16.
- Making our mobile phones compliant with Cyber Essentials Plus guidelines.
- Putting in place threat monitoring software.
- Exclusively using Microsoft 365 for emailing.

We will look to gain Cyber Essential Plus accreditation in year 2025/26. We are also well advanced in the replacement of our two last in-house hosted systems, the Human Resources and Payroll systems which will take place in 2025/26.

Duty of Candour

We have a Duty of Candour policy which describes our commitment to open and transparent communication and our approach to informing and involving supported people and their families when we make mistakes or cause people harm. The policy encompasses The Duty of Candour Procedure (Scotland) Regulations (2018) and dictates how and when we communicate with people when things go wrong and the support we offer to everyone involved. Any event that falls within the policy's scope is reported to and monitored by our Directorate team, with oversight from the Chief Executive and Management Committee. Executive Directors are the people responsible for ensuring all duties are carried out according to policy and legislation and that any events are reported to external bodies. We have adapted our Significant Occurrence report forms to include Duty of Candour assessments.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Duty of Candour (Continued)

Our policy is to conduct full investigations of all events that fall under Duty of Candour responsibilities and the outcome of investigations and any organisational learning or development as a result are shared with all relevant parties.

Full support is available throughout the process for those involved including access to independent advocacy for supported people and families. Staff are supported through access to Occupational Health and employee counselling.

For the reporting year there was one Duty of Candour reportable incidents.

Financial Review and Policies

The Financial Statements are designed to show the results for the year attributable to each of the income and funds categories determined by their purpose.

The income and expenditure of the unrestricted funds relate to the operation of various care and housing support services. Income is derived mainly from contracts with Local Authority Social Work departments and Supporting People teams. In the case of registered care homes, and in certain other cases where a Local Authority charging policy applies, contributions also arise from the residents' personal income.

The net income arising on total funds is a surplus of £8,126k for the year (2024: £7,474k).

Designated funds totaling £43,806k (2024:£42,771k) were held at the balance sheet date. The details of these funds are set out in Note 11.

Most restricted funds relate to income which is by way of a grant and includes Mental Health Specific Grants and income from councils where it has been made explicit within the terms of the funding agreement, or by custom and practice, that the funder intends the income to be treated for a specific purpose.

Grants have also been received towards the cost of certain heritable premises which are owned by TRFS. These assets are maintained in separate restricted funds. The movements in restricted funds are detailed in Note 12. The balance on these funds is not available to meet the charity's general expenditure but must be held separately to meet future expenditure of the specified type.

TRFS' main source of income generation is through the delivery of Social Care and Housing Support services to Local Authorities.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Principle of Financial Management Policies

Reserves Policy

The Management Committee regularly reviews the level of unrestricted reserves in the general fund by considering the risks associated with each income stream, the attaching expenditure, capital commitments and the on-going and changing financial environment.

This constant process of review enables the Management Committee to decide on the most appropriate use and level of reserves to maintain financial stability and sustainability. Reserves are continually assessed to ensure sufficient resources are available to meet the following requirements:

1. To allow time for re-organisation in the event of a tightening financial environment; and
2. To pursue operational efficiency measures without adversely impacting on front line services.

The total Reserves of the organisation are £88,722k, of which £711k are restricted with the Management Committee deciding to carry forward £43,806k in Designated Funds at the year end. These funds reflect our commitment to not only maintain our properties through cyclical repair funds but to develop specific Capital projects in the coming five years. Within the General Reserve the organisation holds £20,230k of Fixed Assets.

TRFS has a Reserves Policy, which aims to hold between 3 and 6 months Working Capital in unrestricted and undesignated reserves, equating to between £27,441k and £54,883k. Unrestricted and undesignated free reserves at the Balance Sheet date were £23,975k, the equivalent of 2.62 months' working capital. The organisation will look to achieve its minimum 3 month Working Capital requirement through the generation of future Surpluses.

Designated funds are funds set aside from the unrestricted general fund by the Management Committee to meet a specific operational purpose or commitment. These funds are not available for any other purpose than that stated. Designated funds are detailed in note 11 to the financial statements, including details of the timeframes.

Investments

There were no additional funds invested with investment managers in 2024/25. The Funds invested which represent a portfolio of diversified assets including fixed income, equities, cash and alternative investments have an original value of £18,000k but as at 31st March 2025 are valued at £20,076k, giving a cumulative gain of £2,076k.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Investments (Continued)

There was a capital gain in the Financial Year to 31st March 2025 of £162k. There was a considerable amount of volatility in the market. We have taken a long-term view towards our investment and acknowledge that conditions in the markets will be subject to change, however, our long-term outlook is positive.

The financial objectives of The Richmond Fellowship Scotland are to generate a competitive level of income, so that this can be designated to fund Management Committee approved initiatives that will promote the well-being of firstly the People We Support and secondly our staff, and additionally to protect the real value of the capital against inflation. The £515k from dividends represents a yield of 2.86% against a target yield of 3%, but still meets the purposes of the investment.

Plans for the Future - key objectives

Our principal theme is to 'Make Improvements'. We have set out in our Strategic Plan for 2024 to 2027 the goals that we have committed ourselves to achieve with 2024/25 being the first of the three year plan period. The goals we have set are:

1. To support people to live their best lives
2. To remain the provider of choice through the diversity of our care portfolio and the quality of our services.
3. To recruit and retain a staff group that meets not only current service demands but that will enable future growth.
4. We will continue to grow our levels of care provision in Scotland not only to benefit more vulnerable people but to ensure financial security for the organisation as a whole.
5. Increase sustainability and viability of TRFS through the efficient and effective deployment of its resources.
6. Reduce the organisation's environmental impact.

TRFS is dedicated to developing and delivering personal supports that best meets the needs of the people we are commissioned to support. We will help them to achieve their personal goals and support them to live as fulfilling and as independent a life as possible.

Our commitment to 'Make Improvements resonates throughout our plan and is imbedded in each of our six goals. We will follow a project management approach to each of our Strategic Plan goals with each goal having been allocated to a particular Executive Director who will be responsible for creating projects around those goals and ultimately delivering them successfully.

We place the people we support at the very heart of our strategic plans. Our objectives in this 3 year plan are to promote health and wellbeing, increase the participation of the individuals in the design and development of the service they receive to meet their needs and goals and to increase

Report of the Management Committee (Continued)
Year ended 31st March 2025

Plans for the Future - key objectives (Continued)

the person we supports connectivity with their families, friends, and their communities. We want to see how the use of technology can positively impact on a person's life, and we look to develop our Mental Health Recovery and Trauma Informed Practice. We have created 7 individual projects and progress in the first year and working groups have been established to bring these projects to fruition.

Our second goal relates to our stakeholders such as families, Local Authorities and other regulatory bodies such as the Care Inspectorate. We will remain the pre-eminent third sector provider of support and care services in Scotland and through the diversity of our services, the evidenced benefit to the people we support and the quality of our services as demonstrated by our Care Inspectorate grades we will maintain that position and grow. We will look to be responsive to the needs and demands of our Local authority partners and the families of people we support, including accommodation solutions, and demonstrate our experience and expertise in all aspects of social care. We have created 8 individual projects around this theme and once more working groups have been established to see the projects through.

Our third goal considers our staff group. We recognise that our ability to maintain and grow our services is predicated on our ability to recruit and retain people who can deliver high quality services to give the People We Support the best opportunity to live fulfilled independent lives; and to ensure that TRFS continues to invest in our staff teams.

Recruitment and retention continue to be significant challenges in the third sector environment and a barrier to growth. We have developed 12 projects aimed at solutions for retention and recruitment and specifically looking at staff engagement and development, reward, recognition, the recruitment of foreign nationals through sponsorship schemes and engagement with colleges of further education to raise the awareness and profile of third sector social care working.

Our fourth goal reflects our belief that through service growth we meet the care needs of more vulnerable people and in so doing we protect the sustainability and viability of the organisation through growing our revenue base.

We have developed 5 projects in the area of growth. Significantly, we want to be the sector leader in the development of 'Behaviours of Concern' services, autism, and neuro diverse services. We want to work with our Local Authority partners in developing and providing the services that meet their needs and to leverage our strong financial position to be able to provide accommodation solutions as part of our proposition.

In goal five We strive to be more efficient, effective, and economic in the delivery of services to the people we support and in the deployment of our resources. We have set 7 projects around this goal with a view to reducing duplication of effort, replacing our older systems such as HR and Payroll systems, moving to office 365 and SharePoint, improving rota management and reviewing our supplier lists.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Plans for the Future - key objectives (Continued)

With goal six we have introduced an environmental goal to our Strategic Plan. We have 6 projects that we will pursue including education for people we support and staff in reducing our carbon footprint, reducing the need to print, using more environmentally friendly suppliers and most significant of all investing in our own natural energy generation project.

We believe that our Strategic Plan 2024-27 is an ambitious one but one that sets realistic targets within a challenging environment. It looks to keeping TRFS at the forefront of social care provision in Scotland delivering high quality innovative services that puts the interests of the person we support at the centre of what we do. It also considers our environmental impact on the planet, one which we want to reduce or mitigate.

It should be noted that Government policy in relation to Employers National Insurance will impose on TRFS a significant cost burden for which there appears to be no additional funding from the Scottish Government. In addition, potential changes in Government policy in relation to the sponsorship of non-UK nationals may impact on TRFS's ability to recruit new and much needed staff.

Going Concern

As at 31st March 2025 TRFS has cash reserves of £48.7m made up of current accounts and term deposits of up to a year. TRFS also has contracts with 28 Local Authorities for the delivery of care services to people in their Local Authority areas which in 2024/25 generated £115.5m of income. The Management Committee and its Directors work on the principle that the organisation cannot be operated at a deficit and that expenditure can only be incurred within the parameters of the income that the organisation receives.

We have prepared a forecast up to September 2026 to test the robustness of the organisation under stressed conditions focusing on two main 'shocks' to the organisation. Firstly, that we lose the care provision contracts in our 5 largest Local authority areas from 1st October 2025 and secondly, that payment for our services is extended to 60 days from 1st October 2025 from its present position of 21 days, an increase of 39 days. Our 5 largest Local authorities represent 49.2% of our Income from the provision of care. In the first instance the organisation would continue to meet its Capital Expenditure commitments in the 23 Local authority areas in which it remained as this would meet our strategy of growth and would add services that were financially viable and cashflow positive.

We would make a Surplus in the year to 31st March 2026 of circa £3m and roughly break even in the 6 months following to 30th September 2026. Maintaining our Capital Expenditure program, we would spend approximately £10.4m on projects that would start generating positive contributions to the organisation. We start from a strong cash position of £48.7m and the increase in Debtors with the loss of the 5 biggest Local Authority contracts would see our overall Debtors level increase by £4.2m in the 18 month period.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Going Concern (Continued)

Having lost 49.2% of our care provision, an action we would take is the rationalization of our central support function levels as these would no longer be appropriate for the level of provision that we would be undertaking. We believe that our strong cash position and the measures we would take would enable us to remain a financially viable organisation that could still generate Surpluses, continue to grow and sustain higher levels of Debtors.

The Management Committee has a reasonable expectation that the organisation has adequate resources to meet the financial challenges presented to it, that it can continue to generate positive cash flows, and that it will continue in operational existence for the foreseeable future.

The Management Committee adopts the going concern basis in the preparation of its financial statements and in their opinion there are no material uncertainties about the charity's ability to continue.

Risk Management

The Management Committee is responsible for the management of risks faced by TRFS and has conducted a review of the major risks to which TRFS is exposed, and the systems established to mitigate those risks. We are satisfied that those systems are adequate to the level of risk. The Management Committee reviews the Organisational Risk Register annually and actively identifies and responds to any risks as they arise throughout the year.

The organisational risk register, which is co-ordinated and monitored by our Health & Safety Officer, was constantly maintained during the year. This document is a live register of potential risks facing TRFS and identifies the steps that we plan to take to reduce and mitigate our risks.

We are committed to a process of continuous review to improve our risk management systems by integrating them with our quality and financial systems.

The key business risks identified by the organisation are as follows:

1 Loss of business

The financial pressures in the sector are significant and in addition to people we support moving on in their lives or sadly dying we face Local Authorities redesigning the services we provide reducing peoples care packages through re-assessment and retendering. Low Care Inspectorate grades may also impact on our ability to continue to deliver services.

Our Strategic Plan focuses on the people we support, demonstrating to our stakeholders our quality and worth, ensuring that we have resources to meet demand and providing services in an efficient, effective, and economic way, all with a view to continuous improvement. Our Development Team in partnership with operational managers develop

Report of the Management Committee (Continued)
Year ended 31st March 2025

Risk Management (continued)

high quality tenders with a high success rate which respond to the needs of our Local authority partners. In addition, we work closely with Local authority partners to provide local solutions to individual problems which may include us investing in homes for supported individuals as we have demonstrated on many occasions.

Our managers have developed good relationships with their Local Authority partners and communication is an ongoing and strong process. Our operational management are acutely aware that when they lose provision that it is imperative that referrals to replace that lost provision are quickly sought from Local authority commissioners. Where a Local authority raises issues regarding the sustainability of a service we will happily engage with them to find solutions to the problem.

Our Development Team carry out audits on the quality of care in our services and good practice is supported by policies covering recruitment and care practice, training, management, and leadership. In addition, we have a National Evaluation Tool through which we monitor the quality of our services and how policies and procedures are being applied. We have a Practice Improvement Group consisting of our senior operational managers that meets regularly to discuss practice and review Care Inspectorate reports.

2 Recruitment/Retention of staff.

The sector as a whole suffers from the constraints that recruitment and retention issues place on them and it is a further barrier to growth. Our Strategic Plan 2024-27 has a goal dedicated to the recruitment and retention of staff.

Within the last three years we have invested heavily in resourcing the recruitment component of our HR team and we now have nine dedicated staff working closely with operational managers to develop innovative advertising campaigns that are service focused and to move candidates quickly through the recruitment process. This group within the HR team have been given targets for recruitment with the dual aim of filling our current recruitment shortfalls for our current services and building capacity to meet our growth agenda.

We have increased our use of social media presence to raise awareness of job vacancies, the organisation and working in the care sector. We are engaging with colleges to again raise awareness of the sector and to promote careers within care. Interviews are being carried out via video conferencing. We look to replace our Applicant Tracking Software in 2025/26 to give us greater functionality from the system. We have brought LinkedIn back in house and this has given us greater reach and a better platform with which to engage and promote ourselves. Internally we have a staff incentive scheme, 'recommend a friend', that gives staff a monetary reward for introducing a successfully recruited member of staff.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Risk Management (continued)

TRFS obtained a sponsorship licence in late 2023. In the first instance the agreement has been for TRFS to sponsor non-UK nationals currently in the UK and already working for TRFS but who are on a time limited visa to extend their stay. This has the potential to be extended however to other non-UK nationals.

Once recruited the new member of staff is given an intensive induction programme and will shadow other members of staff in the service that they will be working in. Team Managers and Senior Support Workers will be on hand to support and mentor the new member of staff and supervisions and Team meetings, which continues through their employment with TRFS, gives the new member of staff the opportunity to have one to one conversations with their Senior Support Workers and to get understanding and support from other members of the team. Staff have access to the 'Call Safe' whistle blowing facility this year that enables a member of staff to raise any concerns they have with an independent third party body.

During 2024/25 we have maintained our differential of £0.40 per hour above the Scottish Living wage level of £12.00 per hour for day and waken night provisions.

3 Debt collection

It is imperative that liquidity within the organisation is maintained and to do that we must collect our debts. Our contracts for care services are mainly with Local Authorities with a small portion being with private individuals. The Care contracts from Local Authorities set our delivery levels and hourly rates or block contract values and are updated annually. Our Management Accountants work with our Sales Ledger Administrators and the finance teams in the Local Authorities to ensure that any issues with invoicing are resolved quickly and that invoices are paid in a timeous manner. The Management Committee is kept aware of the organisation's debt levels through the financial reports submitted to them on a regular basis.

4 Failure of IT Communication systems and loss of data

Cyber-attacks on organisations are now well documented and frequent. Since our own Cyber-attack in January 2024, we have looked to strengthen our Cyber resilience and provide a more robust protection against systems breaches and data loss.

All our main systems are held on the cloud and not on in-house servers with the exception of our HR and Payroll systems that will be upgraded and taken onto the cloud in financial year 2025/26. Pre the cyber-attack we had already arranged a Cloud Managed Backup and Disaster Recovery agreement with one of our IT vendors which was significant in getting our systems back online after the cyber-attack and which remains in place still.

Risk Management (continued)

Significantly we are about to complete our migration of data to Microsoft 365/SharePoint and have Multi Factor Authentication in place for those wishing to access our systems. Our remaining servers have been upgraded to windows 16 and above and with the upgrade of the HR and Payroll systems we will move away from onsite servers altogether. We have deployed new cyber security software and now have a Managed Detection and Response service to detect illicit software or attempted penetrations.

Our laptops and phones are encrypted, and the use of memory sticks is generally banned. IT policies are in place meet current legislative and best practice standards. Staff are required to read and sign that they have read the IT policy at induction stage. We look to get our Cyber Essentials Plus accreditation in financial year 2025/26.

5 Regulatory Compliance

Employment Law compliance is monitored by our Human Resource Department. We have contracted with employment law specialists to provide guidance and advice especially in regard to complex issues. We look to take a consistent approach throughout the organisation when dealing with issues and we ensure that our policies meet current legislative and best practice standards. We have a programme of training for line managers and HR staff to keep their practice current through continued professional development.

Health and safety at work is monitored by our Health and Safety Department. The team carry out health and safety audits and review all policies, procedures, and risk assessments in relation to current legislation. The Health and Safety Department are responsible for Fire Warden Training and Institute of Occupational Safety and Health (IOSH) training for managers. The Health and Safety Manager reports to the Directorate team bi-annually and to the Management Committee annually about meeting legislation on key areas on our 7 major risks to the people we support. The Health and Safety team will also investigate accidents and bring into practice, policies, and procedures the learning from that investigation. The Health & Safety Manager, the Executive Director responsible for the Health & Safety team and the Executive Director of Finance, Systems and Strategy meet with the organisations insurers two to three times a year to discuss any insurance claims or potential insurance claims with a view to getting a shared understanding of those claims and how those claims may inform our practice going forward.

A Health and safety committee is in place and meets quarterly to discuss health and safety issues.

The Property and Facilities Department is responsible for meeting legislation in regard to property and ensure that all compliances are in place for meeting fire regulations, maintenance of fire detection and suppression systems, fire alarm monitoring services, maintenance of electrical systems and appliances, gas maintenance, legionella, asbestos

Report of the Management Committee (Continued)
Year ended 31st March 2025

Risk Management (continued)

and approved supplier insurance and competency checks. The Property and facilities Manager reports to the Management Committee each year with compliance levels on all these elements.

We do, however, recognise that systems can only provide a reasonable but not absolute assurance that major risks are adequately managed, and fire risk issues are subject to a process of continual monitoring using our organisational risk register.

Subsidiary undertakings

TRFS has one subsidiary, Todhill Country Centre Ltd. The company remained dormant through the period to 31 March 2025.

In gratitude

The Management Committee welcomes the contribution of the roles and remit of the Care Inspectorate and the Office of the Scottish Charity Regulator. Regulators are important partners in ensuring the proper regulation of Social Care services in the Charity sector and help to ensure standards of service delivery continues to rise for the benefit of the people we support and the whole community.

The Management Committee acknowledges the contribution of all of its staff to the success of the organisation. We would therefore like to express our sincere thanks, gratitude, and admiration to all our staff, especially those in the front line for the difference that they are making to the lives of the people we support and for their ongoing commitment.

Employee Involvement and Employment of Disabled Persons

TRFS is an equal opportunities employer committed to effect positive policies in recruitment, training, and career development for staff members (and potential staff members) regardless of marital status, religion, colour, race, ethnic origin, or disability. TRFS gives full consideration to applications of employment by disabled people. Where existing employees become disabled it is TRFS's policy, where possible, to provide continuing employment under similar terms and conditions and to provide training and career development.

The Management Committee provides employees with such information which they believe would be useful and of interest to them in order to provide an understanding of the business and to encourage employee involvement in the entity's performance.

Report of the Management Committee (Continued)
Year ended 31st March 2025

Employee Involvement and Employment of Disabled Persons (Continued)

Our National Staff Council meet on a regular basis and provide a valuable forum for engagement. Regular updates on developments are also given via team meetings, face to face briefing and Departmental newsletters.

Appointment of Auditor

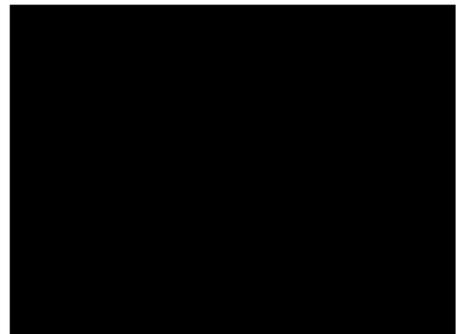
Each year we are required by our rules and by law to appoint the Charity's auditor. Our auditor, BDO LLP, has already indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Provision of information to Auditor

So far as each of the Management Committee members are aware at the time the report is approved:

There is no relevant audit information of which TRFS auditor is unaware, and the Management Committee 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 that information.

By Order of the Management Committee



Report to the Management Committee (Continued)

Management Committee's Responsibilities Statement

The Management Committee are responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and Charity law requires the Management Committee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Management Committee 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 business.

The Management Committee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Memorandum and Articles and Constitution of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Management Committee of the Richmond Fellowship Scotland

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of The Richmond Fellowship Scotland ("the Charity") for the year ended 31 March 2025 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee's 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 Charity'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 Management Committee with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Management Committee of the Richmond Fellowship Scotland (continued)

Other information

The Management Committee are responsible for the other information. The other information comprises the information included in the *Report of the Management Committee*, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Management Committee's Annual Report; or
- proper accounting records have not been kept; or
- a satisfactory system of control has not been maintained over transactions; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Management Committee

As explained more fully in the Management Committee's responsibilities statement, the Management Committee is 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 Management Committee 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 Management Committee are responsible for assessing the Charity'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 Management Committee either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Management Committee of the Richmond Fellowship Scotland (continued)**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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charity and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Charity's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Co-operative and Community Benefits Societies Act 2014, The Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Social Care Standards.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulation;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of Care Inspectorate reports to identify any instances on non-compliance with the Care Inspectorate regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of confirmations received from the entity's solicitors.

Independent Auditor's Report to the Management Committee of the Richmond Fellowship Scotland (continued)*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be the posting of inappropriate journal entries to manipulate the financial results.

Our procedures in respect of the above included:

- Assessing the design and implementation of the control environment of the Charity to identify areas of material weakness to focus on the design of our audit testing;
- Determining whether the accounting policies and presentation adopted in the financial statements are in accordance with applicable law and United Kingdom Accounting Standards;
- Identifying whether there are instances of potential bias in areas with significant degree of judgement;
- Addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments through review and corroboration of journals that include characteristics that we perceive to be high risk.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Independent Auditor's Report to the Management Committee of the Richmond Fellowship Scotland (continued)

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Management Committee 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 and the Charity's Management Committee, as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP
Statutory Auditor
Glasgow, United Kingdom
[Date] 18 September 2025

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Financial Activities for the Year Ended 31st March 2025 (incorporating an Income and Expenditure Account)

		<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total Funds</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total Funds</u>
	<u>Note</u>	<u>2025</u>	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations		-	10	10	-	13	13
Investment income		2,130	-	2,130	1,803	-	1,803
Charitable activities							
Care services		115,439	150	115,589	101,164	200	101,364
Total Income	2	117,569	160	117,729	102,967	213	103,180
Expenditure on:							
Charitable activities							
Care services		109,554	211	109,765	97,317	191	97,508
Total expenditure	3	109,554	211	109,765	97,317	191	97,508
Net income/(expenditure) before investments		8,015	(51)	7,964	5,650	22	5,672
Net gain on investments		162	-	162	1,802	-	1,802
Net income/(expenditure)	4	8,177	(51)	8,126	7,452	22	7,474
Transfers between funds	11, 12	-	-	-	-	-	-
Net movement in funds		8,177	(51)	8,126	7,452	22	7,474
Total funds at 1 April		79,834	762	80,596	72,382	740	73,122
Total funds at 31 March	11, 12	88,011	711	88,722	79,834	762	80,596

All amounts relate to continuing operations.

Date: 18th September 2025

The notes on pages 36 to 51 form part of these financial statements

Balance Sheet as at 31st March 2025

	<u>Note</u>	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible fixed assets	6		16,492		16,536
Investments	7		20,076		19,997
			<u>36,568</u>		<u>36,533</u>
CURRENT ASSETS					
Debtors	8	11,628		10,944	
Current Investments: fixed term and notice deposits		22,420		22,455	
Cash and Bank		26,325		19,156	
		<u>60,373</u>		<u>52,555</u>	
CREDITORS					
Amounts falling due in less than one year	9	<u>(8,219)</u>		<u>(8,492)</u>	
Net current assets			<u>52,154</u>		<u>44,063</u>
Total assets less current liabilities			88,722		80,596
NET ASSETS	13		<u>88,722</u>		<u>80,596</u>
FUNDS & CAPITAL					
Share Capital	10		-		-
Unrestricted Funds: General Funds	11		44,205		37,063
Designated Funds	11		43,806		42,771
Restricted Funds	12		711		762
TOTAL FUNDS			<u>88,722</u>		<u>80,596</u>

Approved and authorised for issue by the Management Committee on 17th September 2025

Date: 18th September 2025

The notes on pages 36 to 51 form part of these financial statements

Cash Flow Statement for the Year Ended 31st March 2025

	2025 £'000	2024 £'000
Cash flows from operating activities:		
Net income for the reporting period	8,126	7,474
Adjustments for:		
Depreciation charges	700	733
Loss on sale of fixed assets	32	-
Gain in investments	(162)	(1,802)
Dividends, interest and rents from investments	(2,130)	(1,804)
Increase in debtors	(684)	(306)
(Decrease)/Increase in creditors	(273)	331
	<hr/>	<hr/>
Net cash provided by operating activities	5,609	4,626
Cash flows from investing activities:		
Dividends, interest and rents from investments	2,130	1,804
Purchase of property, furniture and equipment	(891)	(1,533)
Sale of fixed assets	203	-
Purchase of listed investments	(3,774)	(6,295)
Sale of listed investments	3,786	6,264
Placed in fixed-term and notice deposit accounts	(7,995)	(14,770)
Withdrawal from fixed-term and notice deposit accounts	8,030	-
	<hr/>	<hr/>
Net cash provided by/(used in) investment activities	1,489	(14,530)
Change in cash and cash equivalents in the reporting period	7,098	(9,904)
Cash and cash equivalents at the beginning of the reporting period	19,374	29,278
	<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	26,472	19,374
Cash and cash equivalents comprise:		
Cash and bank	26,325	19,156
Cash held in investments	147	218
	<hr/>	<hr/>
	26,472	19,374

Cash Flow Statement for the Year Ended 31st March 2025 (Continued)Analysis of Changes in Net Debt
For the Year Ended 31 March 2025

	<u>As at 1 April</u> <u>2024</u> <u>£'000</u>	<u>Movement in cash</u> <u>flows</u> <u>£'000</u>	<u>Non-cash</u> <u>Changes</u> <u>£'000</u>	<u>At 31 March</u> <u>2025</u> <u>£'000</u>
Cash and Bank	19,156	7,169	-	26,325
Cash with Investment Managers	218	(71)	-	147
	19,374	7,098	-	26,472

The notes on pages 36 to 51 form part of these financial statements

**Notes to the Financial Statements
For the year ended 31 March 2025****1. Principal Accounting Policies**

The Richmond Fellowship Scotland is a registered society under the Co-operative and Community Benefit Societies Act 2014 and a registered Scottish Charity. The Charity's registered office is 3 Buchanan Gate, Cumbernauld Road, Stepps, Glasgow, G33 6FB and the charity number is SC021621. The principal activity of the charity is the provision of high quality, flexible and responsive person-centered social care support services to a large number of vulnerable people.

The Financial Statements for the year ended 31st March 2025 have been prepared under the historical cost basis and in accordance with the Co-operative and Community Benefit Societies Act 2014, the Charities Accounts Regulations (Scotland) 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)" effective 1 January 2019.

The Charity holds one £1 ordinary share in Todhill Country Centre Ltd, comprising 100% of the ordinary share capital. The Charity has not prepared group accounts as this dormant subsidiary is immaterial.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires the trustees to exercise judgement in applying the accounting policies (see note 1m). The Richmond Fellowship Scotland constitutes a public benefit entity as defined by FRS 102. The financial and presentational currency is GBP. The financial statements are rounded to the nearest thousand.

a) Going Concern

As at 31st March 2025 TRFS has cash reserves of £48.7m in current accounts and term deposits of up to a year. TRFS also has contracts with 28 Local Authorities for the delivery of care services to people in their Local Authority areas which in 2024/25 generated £115.5m of income. The Management Committee and its Directors work on the principle that the organisation cannot be operated at a deficit and that expenditure can only be incurred within the parameters of the income that the organisation receives.

We have prepared a forecast up to September 2026 to test the robustness of the organisation under stressed conditions focusing on two main 'shocks' to the organisation. Firstly, that we lose the care provision contracts in our 5 largest Local authority areas from 1st October 2025 and secondly, that payment for our services is extended to 60 days from 1st October 2025 from its present position of 21 days, an increase of 39 days. Our 5 largest Local authorities represent 49.2% of our Income from the provision of care. In the first instance the organisation would continue to meet its Capital Expenditure commitments in the 23 Local authority areas in which it remained as this would meet our strategy of growth and would add services that were financially viable and cashflow positive.

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

1. Principal Accounting Policies (continued)

a) Going Concern (continued)

We would make a Surplus in the year to 31st March 2026 of circa £3m and roughly break even in the 6 months following to 30th September 2026. Maintaining our Capital Expenditure program we would spend approximately £10.4m on projects that would start generating positive contributions to the organisation. We start from a strong cash position of £48.7m and the increase in Debtors with the loss of the 5 biggest Local Authority contracts would see our overall Debtors level increase by £4.2m in the 18 month period.

Having lost 49.2% of our care provision an action we would take is the rationalization of our central support function levels as these would no longer be appropriate for the level of provision that we would be undertaking. We believe that our strong cash position and the measures we would take would enable us to remain a financially viable organisation that could still generate surpluses, continue to grow and sustain higher levels of debtors.

The Management Committee has a reasonable expectation that the organisation has adequate resources to meet the financial challenges presented to it, that it can continue to generate positive cash flows, and that it will continue in operational existence for the foreseeable future.

The Management Committee adopts the going concern basis in the preparation of its financial statements and in their opinion there are no material uncertainties about the charity's ability to continue.

b) Income

Income is recognised in the Statement of Financial Activities on a receivable basis and is reported gross of any related expenditure, subject to reliable measurement, entitlement and probability of receipt.

All donations are brought into account in the year in which entitlement is obtained, which is usually when they are received.

Charges for the provision of accommodation and support are brought into accounts as those services are provided.

Income is deferred only when TRFS receives contractual amounts in advance of the provided service.

c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributable to particular headings they have been allocated to activities on a basis consistent with the use of those resources.

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

1. Principal Accounting Policies (continued)

c) Expenditure (continued)

Support costs are indirect costs that are not directly attributable to charitable activities and include the charity's central functions.

Governance costs consist of audit fees, trustee costs and a proportion of senior management salaries and are recognised on an accruals basis.

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

d) Government Grants

As required by the Charity SORP, Government grants for specific capital or revenue expenditure are treated as income of restricted funds in the SOFA of the charity in the year in which they are receivable.

Income from Local Authorities for the delivery of services is treated as unrestricted income and is recognised when the services are provided.

e) Designated Funds

The Management Committee has set aside certain amounts from the Unrestricted Funds of the charity to meet expected future commitments. These are detailed in the notes concerning Fund Movements.

f) Operating Leases

Operating leases are charged to the SOFA on a straight line basis.

g) Tangible Fixed Assets, Depreciation and Impairment

Fixed Assets are shown at cost less accumulated depreciation. Items less than £1,000 are not capitalised. Depreciation is calculated to write off the cost of fixed assets over its estimated useful life to its residual value. Assets under construction are not depreciated until they become available for use.

Office fixtures for head office are depreciated on a straight line basis over ten years and office equipment and furnishings, etc. are depreciated over three years. Leasehold property is depreciated over the life of the lease or three years if the lease is on an "at will" basis. All assets are depreciated to its residual value. Heritable property is depreciated over fifty years. Land is not subject to depreciation charge.

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

1. Principal Accounting Policies (continued)

h) Investments

Investments are shown at market value. Investment income is recognised when it is due. Realised and unrealised gains or losses on investments are brought into the income and expenditure account immediately based on the valuation provided by the investment managers.

i) Financial Instruments

The charity only enters into basic financial instruments. Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Investments are held at fair value. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and cash on deposit where funds can be accessed without penalty within three months or less from the opening of the account.

k) Pension Liabilities

TRFS participates in money purchase schemes administered by Royal London. The assets of the schemes are held separately from those of TRFS and administered independently. The contribution rates for 2024/25 were 3%, 4.5%, 10% or 30% of basic salary costs for the employer and at least 3% of basic salary for employees.

l) Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed or funds which have been raised by the Charity for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

m) Judgements and Estimates

The preparation of these financial statements has required the Management Committee to make judgements, estimates and assumptions that affect the application of policies and reported amounts. The areas involving a degree of judgement significant to the view given by these statements are:

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

1. Principal Accounting Policies (continued)

m) Judgements and Estimates (continued)

The carrying value of properties within Fixed Assets is at cost less accumulated depreciation.

2. Income

	2025		2024	
	Unrestricted Funds £'000	Restricted Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000
Donations	-	10	-	13
Investment income:				
Bank interest	1,615	-	1,323	-
Investment income	515	-	480	-
Performance related Grants	-	150	-	200
Payments for delivery of services	111,884	-	98,221	-
Charges to users of services	3,555	-	2,943	-
	<u>117,569</u>	<u>160</u>	<u>102,967</u>	<u>213</u>

3. Expenditure

	Activities Undertaken £'000	Support Costs £'000	2025 Total £'000
	Provision of care services	101,306	8,459
	Activities Undertaken £'000	Support Costs £'000	2024 Total £'000
Provision of care services	90,835	6,673	97,508

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

3. Expenditure (continued)

Support costs are for the single charitable activity of social care support and consist of:

	2025	2024
	£'000	£'000
Staff costs	6,347	5,289
Property costs	907	278
Governance costs	132	119
Other costs	1,073	987
	<hr/>	<hr/>
Total	<u>8,459</u>	<u>6,673</u>

4. Net income for the year

The net income for the year is stated after charging:

	2025	2024
	£'000	£'000
Auditors' remuneration		
In their capacity as auditors	56	46
Depreciation of tangible fixed assets	700	733
Operating lease rentals	1,175	1,118

5. Staff Costs

	2025	2024
	£'000	£'000
Wages and Salaries	88,928	78,658
Termination/redundancy payments	263	169
Social security costs	7,766	6,507
Training Costs	422	371
Pension costs	2,156	1,927
	<hr/>	<hr/>
	<u>99,535</u>	<u>87,632</u>

No trustee (2024: none) received travel expenses for attendance at meetings (2024: £nil). The Chairperson received remuneration of £8,909 (2024: £8,484) as authorised under section 36 of the Constitution. Only Sam Seabrook as Vice Chairperson received remuneration of £4,455 (2024: [REDACTED] £4,243) under section 3.3 of the Constitution that gives power to employ or otherwise engage people for the promotion of the organisations objectives. No pension contributions or other benefits were provided in respect of the Chairperson and Vice Chairpersons.

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

5. Staff Costs (continued)

██████████ CEO and trustee, had benefits paid of £234,197 in the year. The benefits paid included salary and car benefit and were in relation to his employment services to the charity (2024: £223,044). There were no pension contributions.

The following number of staff earned, excluding pension allowance, between the stated bands:

	<u>2025</u>	<u>2024</u>
£60,000 to £70,000	11	8
£70,000 to £80,000	6	-
£90,000 to £100,000	-	3
£100,000 to £110,000	3	-
£110,000 to £120,000	1	1
£220,000 to £230,000	-	-
£230,000 to £240,000	1	1

The total contributions to defined contribution pension schemes for staff within the above bands is £104,074 (2024: £70,904).

Key management are deemed to be the CEO and the Executive Directors of TRFS. Payments including pension, benefits and employers' national insurance for Key Management totalled £782,416 (2024: £745,145).

	<u>2025</u>	<u>2024</u>
The average number of staff was:		
Staff directly providing services	3,188	3,094
Office staff	<u>143</u>	<u>140</u>
	<u>3,331</u>	<u>3,234</u>

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

6. Tangible Fixed Assets

	Heritable Land and Property	Leasehold Improvements	Office Fixtures	Furniture & Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost : at 1/4/24	19,347	104	419	2,211	22,081
Additions	779	-	-	112	891
Disposals	(223)	(80)	-	(312)	(615)
At 31/3/25	19,903	24	419	2,011	22,357
Depreciation: at 1/4/24	3,151	84	419	1,891	5,545
Charge for year	416	5	-	279	700
On disposals	-	(68)	-	(312)	(380)
At 31/3/25	3,567	21	419	1,858	5,865
Net Book Value At 31/3/25	16,336	3	-	153	16,492
At 31/3/24	16,196	20	-	320	16,536

7. Fixed Asset Investments

Fixed asset investment movements:

	2025	2024
	£'000	£'000
Market value:		
Opening market value at 1/4/24	19,779	17,946
Additions	3,774	6,295
Disposals	(3,786)	(6,264)
Gain on investments	162	1,802
Market value at 31/3/25	<u>19,929</u>	<u>19,779</u>
Cash held for investment	147	218
As at 31 March 2025	<u>20,076</u>	<u>19,997</u>
Represented by:		
Listed Investments	19,929	19,779
Cash held	147	218
	<u>20,076</u>	<u>19,997</u>
Analysis of Investments by type		
Fixed income (bonds)	3,437	3,400
UK equities	3,319	3,507
Global equities	10,728	10,529
Absolute return	575	567
Property	461	407
Commodities	746	620
Alternative investments	390	477
Cash product	273	272
Cash	147	218
	<u>20,076</u>	<u>19,997</u>
The market value represents:		
Investments listed on a recognised stock exchange		
United Kingdom	7,097	6,629
Outside the United Kingdom	12,832	13,150
Cash	147	218
	<u>20,076</u>	<u>19,997</u>

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

8. Debtors

	2025 £'000	2024 £'000
Trade debtors	6,651	7,133
Prepayments & accrued income	<u>4,977</u>	<u>3,811</u>
	<u><u>11,628</u></u>	<u><u>10,944</u></u>

9. Creditors: amounts due within one year

	2025 £'000	2024 £'000
Trade creditors	605	740
Accruals & deferred income	5,394	5,796
Payroll taxation and social security	1,794	1,595
Pensions	<u>426</u>	<u>361</u>
	<u><u>8,219</u></u>	<u><u>8,492</u></u>

Deferred Income

	2025 £'000	2024 £'000
Balance as at 1 April 2024	-	4
Released in year	-	(4)
Deferred income for year	<u>-</u>	<u>-</u>
Balance as at 31 March 2025	<u><u>-</u></u>	<u><u>-</u></u>

Income is deferred when TRFS receives contractual amounts in advance of the provided service.

10. Share capital

Share capital represents issued shares of £1 each. Eleven shares have been issued. (2024: 11) Shareholders are invited to attend the annual general meeting. Each member of the Management Committee holds one share in TRFS and there are three additional shareholders.

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

11. Unrestricted Funds of the Charity

	Designated Funds					Total Funds £'000
	General Fund £'000	Buildings Fund £'000	Initiatives Fund £'000	Furniture & Maintenance Fund £'000	Capital Projects Fund £'000	
Income						
Donations	-	-	-	-	-	-
Operating income	115,439	-	-	-	-	115,439
Investment income	1,615	-	515	-	-	2,130
Total income	117,054	-	515	-	-	117,569
Charitable Expenditure						
Direct costs of services	98,145	409	199	701	-	99,454
Support costs for services	8,445	-	-	-	-	8,445
Management & administration	1,655	-	-	-	-	1,655
Total expenditure	108,245	409	199	701	-	109,554
Net income/(expenditure) before investments	8,809	(409)	316	(701)	-	8,015
Net gains on investments	162	-	-	-	-	162
Net income/(expenditure) before transfers	8,971	(409)	316	(701)	-	8,177
Transfers between funds	(1,829)	544	-	1,725	(440)	-
Net movement in funds	7,142	135	316	1,024	(440)	8,177
Funds at 1/4/24	37,063	15,967	973	4,281	21,550	79,834
Funds at 31/3/25	44,205	16,102	1,289	5,305	21,110	88,011

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

11. Unrestricted Funds of the Charity

	Designated Funds					Total Funds £'000
	General Fund £'000	Buildings Fund £'000	Initiatives Fund £'000	Furniture & Maintenance Fund £'000	Capital Project Fund £'000	
Income						
Operating income	101,164	-	-	-	-	101,164
Investment income	1,323	-	480	-	-	1,803
Total income	102,487	-	480	-	-	102,967
Charitable Expenditure						
Direct costs of services	88,053	401	212	609	-	89,275
Support costs for services	6,655	-	-	-	-	6,655
Management & administration	1,387	-	-	-	-	1,387
Total expenditure	96,095	401	212	609	-	97,317
Net income/(expenditure) before investments	6,392	(401)	268	(609)	-	5,650
Net gain on investments	1,802	-	-	-	-	1,802
Net income/(expenditure) before transfers	8,194	(401)	268	(609)	-	7,452
Transfers between funds	(5,120)	1,239	-	731	3,150	-
Net movement in funds	3,074	838	268	122	3,150	7,452
Funds at 1/4/23	33,989	15,129	705	4,159	18,400	72,382
Funds at 31/3/24	37,063	15,967	973	4,281	21,550	79,834

The Buildings Fund has been set aside to match the net book value of heritable property and leasehold additions which do not form part of a Restricted Fund. The transfer made during the year relates to the purchase of heritable property and leasehold additions. This fund will be utilised over the life of the properties.

The Initiatives Fund has been established to set aside the investment income for use by the services for participatory funding and to fund the ongoing maintenance of the Chalets at Todhill Farm in North Ayrshire.

The Furniture and Maintenance Fund has been established to account for the planned replacement of furnishings and the cyclical decoration and maintenance of properties either rented or owned by the charity. It is anticipated that the funds will be used over a 5 to 10 year period. Included within these funds is a specific sum set aside for Housing Benefit cyclical repairs of £2,490k (2024: £2,489k).

The Capital Projects Fund represents funds set aside for new investment initiatives in services and in ICT systems planned over the next five years

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

12. Restricted Funds of the Charity

	Specific Grant Funds £'000	Local Fundraising £'000	Property Funds £'000	Total Restricted £'000
Income				
Donations	-	10	-	10
Operating income	150	-	-	150
Total income	<u>150</u>	<u>10</u>	<u>-</u>	<u>160</u>
Charitable Expenditure				
Direct costs of services	179	6	12	197
Support costs for services	14	-	-	14
Total expenditure	<u>193</u>	<u>6</u>	<u>12</u>	<u>211</u>
Net Income/(expenditure)	(43)	4	(12)	(51)
Funds at 1/4/24	398	116	248	762
Funds at 31/3/25	<u>355</u>	<u>120</u>	<u>236</u>	<u>711</u>

The property restricted funds are grants which were given specifically for the purchase of properties used as residential care homes. Other restricted funds are formed from grants given for specific purposes, and donations raised locally for resident welfare at individual services.

	Specific Grant Funds £'000	Local Fundraising £'000	Property Funds £'000	Total Restricted £'000
Income				
Donations	-	13	-	13
Operating income	200	-	-	200
Total income	<u>200</u>	<u>13</u>	<u>-</u>	<u>213</u>
Charitable Expenditure				
Direct costs of services	149	12	12	173
Support costs for services	18	-	-	18
Total expenditure	<u>167</u>	<u>12</u>	<u>12</u>	<u>191</u>
Net Income/(expenditure)	33	1	(12)	22
Funds at 1/4/23	365	115	260	740
Funds at 31/3/24	<u>398</u>	<u>116</u>	<u>248</u>	<u>762</u>

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

13. Analysis of Net Assets between funds

	Fixed Assets £'000	Net Current Assets £'000	Total £'000
Property funds	236	-	236
Specific grants funds	-	355	355
Local fundraising funds	-	120	120
Restricted funds subtotal	236	475	711
Buildings fund	16,102	-	16,102
Participatory fund	-	1,289	1,289
Furniture / maintenance funds	-	5,305	5,305
Capital projects	-	21,110	21,110
Designated funds subtotal	16,102	27,704	43,806
General fund	20,230	23,975	44,205
Total at 31/3/25	36,568	52,154	88,722

	Fixed Assets £'000	Net Current Assets £'000	Total £'000
Property funds	248	-	248
Specific grants funds	-	398	398
Local fundraising funds	-	116	116
Restricted funds subtotal	248	514	762
Buildings fund	15,967	-	15,967
Participatory fund	-	973	973
Furniture / maintenance funds	-	4,281	4,281
Capital projects	-	21,550	21,550
Designated funds subtotal	15,967	26,804	42,771
General fund	20,318	16,745	37,063
Total at 31/3/24	36,533	44,063	80,596

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

14. Operating Leases

The total commitments under non-cancellable operating leases are as follows:-

	2025	2024
	£'000	£'000
Not later than one year	355	183
Later than one year and not later than five years	465	552
Later than five years	71	-
	<u>891</u>	<u>735</u>

15. Pension Obligations

Money Purchase schemes

TRFS participates in money purchase schemes administered by Royal London. The contribution rates during the year were 3%, 4.5%, 10% or 30% in respect of the Employer and at least 3% in respect of the Employee, based on basic salary.

The pension payments to these schemes for the year were £2,156,247 (2024: £1,927,296). Contributions totalling £423,963 (2024: £359,721) were outstanding at the year end.

16. Contingent Liabilities

Properties acquired with grant funding are held by TRFS on the condition that if TRFS sells the property, the monies are either reinvested in residential provision in the same area or accounted for to the funding body. This affects all freehold property held in the Restricted Property fund.

17. Financial Instruments

Financial Assets

	2025	2024
	£'000	£'000
Financial assets at fair value	<u>19,929</u>	<u>19,779</u>

Financial assets at fair value include listed investments (Note 7).

Notes to the Financial Statements (continued)
For the year ended 31 March 2025

18. Related Party Transactions

Other than the transactions with members of the Management Committee and key management noted in Note 5, there have been no related party transactions in the reporting period that require disclosure.