

**The Richmond Fellowship Scotland**

**Financial Statements**

**For the Year ended 31st March 2024**

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

# **The Richmond Fellowship Scotland**

## **Financial Statements**

**Year ended 31<sup>st</sup> March 2024**

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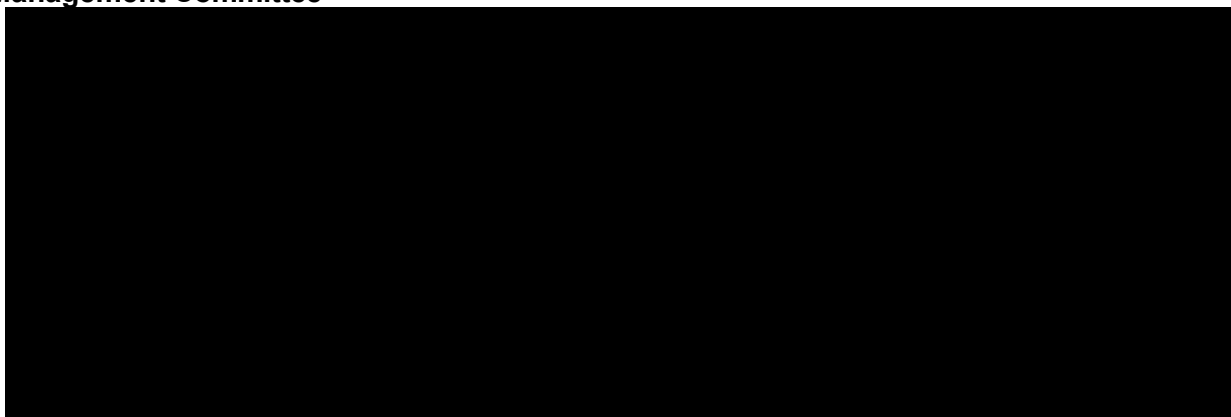
The Richmond Fellowship Scotland (TRFS) is a registered society under the Co-operative and Community Benefit Societies Act 2014 and a registered Scottish charity.

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.

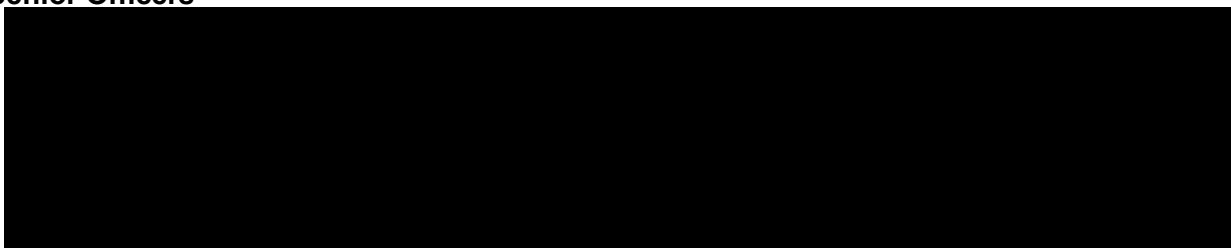
The names of the members of the Management Committee and Senior Officers who served during the year are set out below:

**Management Committee**



Each member of the Management Committee at 31<sup>st</sup> March 2024 holds one share of £1 each in the Charity.

**Senior Officers**



**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

<b>Registered Office</b>	3 Buchanan Gate Cumbernauld Road Stepps Glasgow G33 6FB
<b>Registered Scottish Charity No.</b>	SC021621
<b>Registered Co-operative and Community Benefit Society No.</b>	2450R(S)
<b>Charity Regulator</b>	Office of the Scottish Charity Regulator Quadrant House 9 Riverside Drive Dundee DD1 4NY
<b>Care Regulator</b>	Care Inspectorate Compass House 11 Riverside Drive Dundee DD1 4NY
<b>Bankers</b>	The Royal Bank of Scotland 9 Clifton Place Glasgow G3 7JU
<b>Investment Managers</b>	Brewin Dolphin 12 Smithfield Street London EC1A 9LA
<b>Auditor</b>	BDO LLP 2 Atlantic Sqaure 31 York Street Glasgow G2 8NJ
<b>Solicitors</b>	Brechin Tindal Oatts 48 St. Vincent Street Glasgow G2 5HS

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**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 2024. 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 31<sup>st</sup> March 2024.**

**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 31<sup>st</sup> March 2024**

**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 eight 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 member of the Management Committee and Executive Directors.

A Trustee's Register of Interests is completed by Management Committee members in order 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 31<sup>st</sup> March 2024**

**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. 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 31<sup>st</sup> March 2024 TRFS generated Income of £103,180k, representing an Income growth against last year of £3,543k or 3.56%. Surplus in the financial year to the 31<sup>st</sup> March 2024 was £7,474k, an increase of £2,024k against last year and includes a Net Gain on Investments of £1,802k, a combination of a £61k realised gain and an unrealised gain of £1,741k.

Income in the year from the provision of care services, which is our charitable purpose, was £101,364k in financial year 2023/24 or 98.23% of our total Income and was 3.23% or £3,181k higher than in financial year 2022/23. The increase in funding received as a result of the

Scottish Government increasing the Scottish Living Wage from £10.50 per hour for frontline staff in April 2023 to £10.90 per hour generated growth of approximately £3,610k in the year. In real terms then TRFS contracted by £429k or 0.04% in 2023/24.

TRFS is an accredited Scottish Living Wage Employer guaranteeing that staff are at the very least paid an hourly rate equivalent to the Scottish Living Wage which for 2023/24 was set at £10.90 per hour.

In recognition of the hard work and dedication of our staff the Management committee took the decision in October 2022 to pay an additional £0.40 per hour for front line staff providing day and night-time services. This award was also extended to non-frontline staff who at that time were being paid at the Scottish Living Wage rate. The award did not apply to sleepover provision. In 2023/24 we maintained that differential and from April 2023 paid our frontline staff and those non-frontline staff who would have been subject to the Scottish Living Wage £11.30 per hour, £0.40 per hour ahead of the Scottish Living Wage with sleepover provision being paid at £10.90 per



### **Achievements & Performance (Continued)**

hour. In November 2023 the Management Committee awarded the remaining staff in the organisation with a 3.80% pay award which was backdated to 1<sup>st</sup> April 2023. 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.

TRFS CEO, Austen Smyth sits on the Living Wage Scotland Leadership Group and in 2023 he was awarded the 'Voice of the Year' award for taking his staff beyond the real living wage rate and for championing an increase in social care funding so that wages reflect the increase in the cost of living.

Uplifts to care rates because of the Scottish Living Wage uplift were agreed with all 27 Local authorities and as at the 31<sup>st</sup> March 2024 all funding has been received and accounted for.

Net Capital Expenditure in 2023/24 was £1,432k, £1,239k being spent on in properties, £295k on IT and fixtures and fittings, with an offset to an extent by the disposal of £102k of full depreciated assets. In terms of the property, significant spends were made in North Ayrshire where we completed the fit out of our four luxury cabins and in Aberdeenshire where we purchased 3 houses as part of a project to redevelop our services in that area and where we expect to be making further significant investments in the coming couple of years. In addition, we undertook upgrades to 2 properties to make them ready for new tenants and new services.

We continued our upgrade of our IT infrastructure with a significant spend of £234k on new laptops and workstation peripheries. In addition, we spent £33k on software developments of existing systems that we use to make them more user efficient, effective and user friendly. We have made significant progress towards the implementation of Microsoft 365 during the year and expect to complete the full migration within the first half of financial year 2024/25. Elsewhere we spent £23k providing fixtures and fittings for our three new houses in Aberdeenshire and in two other properties.

The people we support once again had access to a £100k Participation Fund through which they could gain funding for projects or events for their services. In general, this meant that each group had to present their ideas to their peers who would then vote on which project they thought should be funded. Projects may include garden equipment, days away to the zoo or 'doon the water' or parties to celebrate and bring people together. Across the organisation and the four operational regions approximately 3,070 people we support benefited from this fund in 2023/24, with many benefitting from more than one event or project.

Following last year, we wanted to maintain our gifts and rewards to our staff for their hard work and service. We provided £40k for their own Participation Fund and as with the people we support they devised projects/events on which their peers could vote and get funding. Again in 2023/24 and in recognition of the outstanding work of our staff we allocated £70k as a 'Thank you' gift to staff which could be put to individual gifts or towards a team event if they wished.

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024****Achievements & Performance (Continued)**

We value the great natural resource that we have at our Todhill Farm site in North Ayrshire and appreciate it for its environmental diversity, woodlands and wetlands. We have now taken possession of our four luxury cabins, each of which are named after former Management Committee members which we are now able to offer to the people we support, free of charge, and staff, at a small nominal fee, for stays of 3 or 4 nights of short breaks.

Our Learning & Development team remains busy offering 63 online training courses and 46 classroom-based courses, a total of 109 courses. 30,276 e-learning courses were completed in 2023/24 with an additional 2,320 courses completed in the classroom.

In 2023/24 the Learning and Development Department inducted 782 new staff into the organisation working with its operational partners to ensure that these new staff are able to provide quality support in a safe and compliant way. The Learning & Development Department continued to focus on developing person-centered training provision for staff redeveloping support plan training, supporting people with finances courses and creating new criminal justice skills courses.

In support of the organisation's migration to Microsoft 365, the Learning and Development Department with the assistance of the ICT Department created a package of e-learning courses for staff that helped them migrate to and use Microsoft 365.

In addition, there has been a focus on our management development offering, and we have launched Absence management, Adult Support and Protection for managers, Support plan advanced and Senior Support Worker Role and responsibilities courses. This will allow us to launch our new Management development pathway. This program of blended learning contains 14 courses with an investment in learning totaling 55 hours. This pathway is open to new to role staff, existing staff in their current roles and aspiring managers. The program is completed within 12 months of gaining role.

Skilling up our staff is a key responsibility for our Positive Behaviour Support Team. They currently have three courses registered with Caledonian University in Glasgow. Our Advanced Practice in Positive Behaviour Support saw 11 staff successfully complete the course in October 2023, in Applied Practice in Active Support we had 22 staff enrolled in 2023/24 and in Practice Leadership in the Application of Active Support we had 4 staff enrolled in 2023/24.

In addition, since April 2023 the Positive Behaviour Support Team team have had 198 staff complete training in Active Support, 171 complete training in Restrictive Practices: Support for Managers, 103 complete positive Behaviour: Support in Practice and 62 complete Autism Classroom Training.

The recruitment and retention of staff remains a challenge not only for TRFS but for the sector as a whole. In late 2023 TRFS obtained a licence to sponsor non-UK nationals currently in the UK and on a time limited visa to extend their stay. In the first instance we will look to use this to

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Achievements & Performance (Continued)**

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.

We have increased our use of social media to attract more candidates to the organisation and have set up an Instagram account, taking advantage of the popularity and reach of this medium to advertise. Through Facebook in 2023/24 we attracted 1,164 candidates to apply for posts and our Recruitment team is now using our TIK Tok account more strategically to generate animated videos to regularly promote our vacancies to potential applicants. Over the past 12 months, we have utilized the full spectrum of social media resources for paid recruitment advertising purposes which has helped push us beyond the limitations of traditional recruitment advertising.

We began running digital recruitment days in June 2023. This was initially piloted in the Highlands before being rolled out nationally. The reason behind holding recruitment events digitally was to make it easier for potential applicants to attend as attending an event in-person may be seen as a bigger inconvenience. As well as this, it also gives time back to the Regional Resourcing Consultants who also don't need to travel to a specific location when holding events virtually and are an inexpensive alternative to some career fairs. Digital recruitment days have increased hires from events by 20%.

In 2023/24 we submitted 11 tenders and were successful in winning 8 of these, a success rate of 72% with the outcome of one tender still outstanding. We were successful in being awarded the contracts for a five-person complex needs service in Glasgow, a five-person supported living service in Perth & Kinross and a supported living/housing support service in East Ayrshire. In addition, we have been accepted on to a new framework in South Ayrshire and retained our place on four frameworks in Falkirk, Fife, Glasgow and South Lanarkshire. Our strategy continues to be one of growing our levels of care provision to benefit some of the most vulnerable people in our society and where Local Authorities have required it we have also managed to provide homes for those people as well.

We continue to hold our 'Gold' standard Investors in People (IIP) award but have it as a goal to strive for the Platinum award for which a work plan has now been developed.

In 2023/24 we published 386 good news stories and received 937,962 views / engagements on social media platforms (i.e. facebook and twitter) up 73,256 or 8.47% on last year.

Throughout 2023/24, the Richmond Fellowship Scotland's specialist Fun Team designed and delivered 174 face to face and online activities / events with a total of 753 supported people participating in one or more of these activities. The Fun Team also supported service teams to deliver a further 43 events including regional participatory funding events. The support provided by the team included administrative and planning assistance, and the delivery fun activities on the day. Fun Team activities are based on feedback from the people we support and are designed to be responsive to people's interests and goals. Highlights from 2023/24 include:

- A programme of regional art events held in venues including National Museum of Scotland, Kelvingrove Art Gallery, the Dick Institute Kilmarnock and V&A Dundee.

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Achievements & Performance (Continued)**

- Craft and Cardio nature walk's in parks across Scotland.
- Regional summer beach parties.
- Weekly online karaoke, quiz and open mic parties.

The Fun Team continues to source opportunities for supported people that are provided by external organisations. Examples from 2023/24 include:

- Establishing a partnership arrangement with the Seagull Trust resulting in free Canal Boat cruises for supported people across multiple sites in Scotland.
- Free admission and tours for supported people at the Scottish Museum of Rural Life.
- Free match tickets at Celtic Park, and free tickets for the Celtic Story musical at the Scottish Exhibition Centre.
- Free admission to Ibrox Stadium tours.

We have also been active in reducing the use of restrictive practices in 2023/24 with 22 individuals having all restraints removed, 72 individuals having no use of restrictions in place and 70 individuals showing a reduced use of restrictions.

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

- Positive Behaviour Support Community of Practice Steering Group
- Restraint Reduction Scotland Network
- Coming Home Peer Support Network Expert Reference Group
- Positive Behaviour Support Alliance UK: steering group members
- Greater Glasgow and Clyde NHS Challenging Behaviour Network
- Scottish Government Cross Party Group for Autism Network
- SOLD Network – support for individuals involved in the criminal justice system with neurodivergence or a learning disability.
- Development of a SSSC eLearning resource in Positive Behaviour Support.
- Partnership with Midlothian HSCP to deliver 'Applied Practice in Active Support' training across Midlothian Social Care Provider Organisations
- Dumfries and Galloway HSCP commissioned TRFS Positive Behaviour Support post.
- Inspiring Scotland 2023 developments.

In 2023/24 the Care Inspectorate awarded 106 grades across 38 reports and across 31 services. 83 grades or 78.3% of those grades were 'Good' to 'Very Good' with 33 grades in the 'Very Good' category. The remaining 23 gradings were seen as 'Adequate'. We look to improve our grades at all levels and those that fall below 'Good' receive our particular attention for improvement.

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 2023/24 we received 9

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Achievements & Performance (Continued)**

complaints, up 6 from last year, raised via 'SafeCall'.

**How Well Are We Doing Survey - People We Support**

On an annual basis we survey the people we support to see 'How Well Are We Doing? The survey was sent to all the people we support, and they were asked to rate TRFS in ten categories. The results of the survey are shown below: -

		<u>Always/Usually</u>
1.	Has your support helped you to feel safe?	94.1%
2.	Has your support helped your wellbeing over the past year past year?	93.5%
3.	Do you feel your staff listen to you and respect you?	91.8%
4.	Have we given you as much choice as possible to shape your support over the past year?	91.6%
5.	Has your support helped you to stay connected to the important people in your life during the last year?	87.2%
6.	Did we provide you with opportunities to have as much fun as possible in the last year?	85.7%
7.	When you have been unable to get out into your community, has your support helped you to do other things you enjoy?	85.8%
8.	Do we give you the right support?	93.9%
9.	Do we help you to achieve the things that matter to you?	90.1%
10.	Do you feel your service is well managed?	88.6%

Our 'How Well Are We Doing?' The survey resulted in 697 responses, an increase of 221 responses on the 2023 survey and represents 31% of the people that we support, up 11% on last year.

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

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

In six out of the ten questions over 90% of the participants gave a positive response with the highest approval rating being 94.1% for 'Has your support helped you to feel safe?'. Our lowest score at 85.7% was for the question 'Did we provide you with opportunities to have as much fun as possible in the last year?'.

93.9% of respondents felt that 'always' or 'usually' we did give the right support.

93.5% tell us that the support given in the last year 'always' or 'usually' helped their wellbeing.

85.8% of respondents tell us that they 'always' or 'usually' our support helped them to be able to enjoy other things if they unable to enjoy community resources.

We have used the outcomes of these surveys to formulate the Goals and objectives of our Strategic Plan 2024-27 with an emphasis on fun, helping people to achieve, have positive experiences and make stronger connections with their communities and their families

**How Well Do We Do – Families and Carers**

TRFS carried out a 'How Well Do We Do?' survey this year which gives families and carers the opportunity to tell us what they think about our services. The results are as follows:

		<u>Always/Usually</u>
1.	Do you receive enough information about the support TRFS provides to your family?	82.0%
2.	Do you feel informed about any relevant changes to the support your family member receives	77.5%
3.	Do you know how and who to contact in the service if you have anything you wish to discuss?	93.6%
4.	Do you have the opportunity to discuss any questions or concerns you have about the support?	91.8%
5.	Do staff listen and respond to any suggestions or comments you make?	87.1%
6.	Do you think The Richmond Fellowship Scotland staff are well matched for your family member?	84.4%

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

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

		<u>Always/Usually</u>
7.	Do you feel the service your family member receives is well managed?	83.7%
8.	Do you feel we provide consistent staffing?	78.8%
9.	Do you feel the staff supporting your family member have the appropriate skills and knowledge?	80.1%
10.	Do you feel we help keep your family member safe?	95.3%
11.	Do you feel the support has helped maintain your family member's wellbeing over the past year?	90.0%
12.	Do staff listen to and respect your family member?	95.2%
13.	Do you feel over the past year we have given your family member as much choice as possible to shape their support?	87.4%
14.	Do you feel we have provided opportunities for your family member to have as much fun as possible in the last year?	82.5%
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?	81.7%
16.	Do we support your family member to achieve the things that matter to them?	84.0%

We received 174 returns this year, an increase of 5 responses on the survey carried out in 2022/23. The positive returns for our questions range from 77.5% of respondents to 95.3% with our highest positive return of 95.3% coming from the question 'Do you feel we help keep your family member safe' to the lowest positive return of 77.5% coming from the question 'Do you feel informed about any relevant changes to the support your family member receives'.

95.2% of respondents felt that 'always' or 'usually' staff listen to and respect family members. This is 4.0% up on last year.

91.8% of respondents felt that 'always' or 'usually' over the past year they had the opportunity to discuss any questions or concerns they have about the support.

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

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

Once again, the results of these surveys have helped to inform and build our Strategic Plan 2024-27 and we know that we can do better in the areas addressed by the survey.

**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.

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 were no Duty of Candour reportable incidents.

**Cyber Incident**

In January 2024 TRFS was the subject of a cyber-attack by a Russian threat actor who denied us access to our systems and exfiltrated many files with the purpose of extorting a ransom from us to unlock our systems and to not make the files publicly available to others. As part of our 'Business Continuity Plan' we engaged our insurers with whom we had a Cyber policy and they in turn engaged Cyber specialists and solicitors who have expertise in this area to guide us through the restoration of our systems and the communications fallout that came with such a public attack. In addition, we had a disaster recovery agreement in place with one of our IT consultants in case of such an incident which we then invoked.

We have some of our systems hosted externally and were not affected, and the attack had no impact on third parties connected to TRFS. The systems we hosted in house were cleansed, brought back quickly, and we were able to pay staff as per normal.



**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Cyber Incident (Continued)**

The cyber specialists were able to rebuild our domain controllers and hypervisors, restore our systems and files and significantly increase the levels of security around and within our IT infrastructure. While there was disruption over a period there was no impact on the provision of services to the people we support or long-lasting disruption to the functioning of our back-office functions.

Our cashflow for February 2024 was impacted significantly as Local Authorities reacted to the incident, we were able to restore confidence with these partners and the cashflow was significantly better in March 2024 compensating for the low cashflow in the previous month.

It should be noted that the Police were also informed early in the incident and supported us and that no ransom was paid to the Russian threat actor.

**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 £7,474k for the year (2023: £5,450k).

Designated funds totalling £42,771k were held at the balance sheet date. The details of these funds are set out in Note 11.

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.

**Sources of Income**

The TRFS main source of income generation is through the delivery of Social Care and Housing

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Sources of Income (Continued)**

Support services to Local Authorities.

**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 £80,596k of which £762k are restricted with the Management Committee deciding to carry forward £42,771k 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 £20,318k 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 £24,377k and £48,754k. Unrestricted free reserves at the Balance Sheet date were £16,745k, the equivalent of 2.06 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 Brewin Dolphin in 2023/24. 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 31<sup>st</sup> March 2024 are valued at £19,997k, giving a cumulative gain of £1,997k.

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Investments (Continued)**

There was a capital gain in the Financial Year to 31<sup>st</sup> March 2024 of £1,802k. 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 £480k from dividends represents a yield of 2.67% against a target yield of 3%, but still meets the purposes of the investment.

**Plans for the Future - key objectives**

The main objective of the organisation remains to develop and deliver personal supports that best help vulnerable people in our society to achieve the goals that matter to them and supports them to live as fulfilling and as independent a life as possible.

We have developed our Strategic Plan for 2024 to 2027 which has six Goals, these 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.

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 put the people we support at the heart of our Strategic Plan. Through our Strategic Plan consultation with the people we support and our previous survey results for 2023 we identified that the people we support want to be more connected again to their families and their communities and that they want to be able to enjoy new experiences and live a healthy and active life. We appreciate that the people we support were very restricted through the covid pandemic years and we will look to bring back that connectivity to their lives.

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Plans for the Future - key objectives (Continued)**

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.

Recruitment and retention continue to be significant challenges in the third sector environment. Our ability to maintain and grow our services is predicated on our ability to recruit and retain people who can deliver high quality services and to give the people we support the best opportunity to live fulfilled independent lives. We will look to develop our talent pipelines and streamline our recruitment processes as well as reviewing our reward and recognition schemes and improving staff engagement across the organization. We still strive to achieve an IIP Platinum award to replace our current Gold award.

Growth remains a significant aspect of our Strategic Plan. We believe that through growth we meet the care needs of more vulnerable people in our society and give them the benefit of our experience, expertise and high-quality services. We also recognise that growth must be good for the organisation in that it protects the sustainability and viability of the organisation through growing our revenue base while costs are controlled. Our ability to be able to invest in property for people we support is predicated on our ability to make good decisions about the service growth we take on from commissioners.

We will 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. The transformation of our IT infrastructure continues, and we see a great deal of benefit to the people we support and to the organisation in the development of technology and the digitalisation of processes. We have already started on

the replacement of our current 'Carista' rostering system with an in house built system developed by our Digital Team. We will complete our migration to Microsoft 365 in the early stages of our new Strategic Plan and we will look to replace our HR and Payroll systems within the term of the new Strategic Plan. We will look to digitalise our paper records and processes and reduce our need to print. We believe that this will be an exciting three years in terms of our digital transformation.

We have introduced an environmental goal to our Strategic Plan. As an organisation we recognise that we have an impact on the planet and we are looking though this goal to reduce our carbon footprint or completely offset it. We will be looking at our procurement policies, our programme for refurbishing our properties with a view to making them more environmentally safer and sustainable. We will also be looking at a project to generate our own green energy and look at how we can promote good environmental practice by the people we support and our staff.

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Plans for the Future - key objectives (Continued)**

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.

**Going Concern**

As at 31<sup>st</sup> March 2024 TRFS has cash of £41.6m and has framework contracts with 26 of Scotland's 32 Local Authority areas providing services to the value of £101.4m in 2023/24. 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 2025 to test the robustness of the organisation under stressed conditions focusing to two main 'shocks' to the organization. Firstly, that we lose the care provision contracts in our 5 largest Local authority areas from 1<sup>st</sup> March 2025 and secondly, that payment for our services is extended to 60 days from 1<sup>st</sup> October 2024 from its present position of 26 days, an increase of 34 days. Our 5 largest Local authorities represent 46.8% of our Income from the provision of care. In the first instance the organization would continue to meet its Capital Expenditure commitments in the 21 Local authority areas in which it remained as these would meet our strategy of growth and would add services that were financially viable and cashflow positive.

While we would make a Deficit in the year to 30<sup>th</sup> September 2025 of circa £809k we would mitigate this Deficit through the benefit of growth generated by our Capital Expenditure and through the rationalisation of our support infrastructure which would no longer be required to support 46.8% of our services. We have a strong cash position which would be able to sustain a continued Capital expenditure program and a significant period of receipts from Local Authorities extending to 60 days.

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

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Risk Management (Continued)**

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

Growth remains a permanent goal within our Strategic Plan. We understand that to achieve growth we must first of all maintain the services that we currently have and then be successful in gaining new services through a combination of quality, price and confidence in our ability to deliver those services. Our existing services are vulnerable to the re-assessment of individual packages by our Local authority partners where a package remains in place but at a reduced level of support. In addition, Local Authority partners may choose to retender services at the end of contract terms, may no longer favour the type of service that is being delivered or just not have the funding to support the ongoing provision of the service. 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 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 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.

Our managers have developed good relationships with their Local Authority partners and communication is an ongoing and strong process. Where a Local authority raises issues

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Risk Management (continued)**

regarding the sustainability of a service we will happily engage with them to find solutions to the problem.

**2 Recruitment/Retention of staff.**

Recruitment and retention of staff is a significant and perennial problem across the third sector and represents a major barrier to growth. Our Strategic Plan 2024-27 has a goal dedicated to the recruitment and retention of staff.

Our HR team now has nine staff dedicated to recruitment and they work 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 are increasing our use of technology through offering video conferencing facilities for interviews to candidates and are extending our reach to potential employees through advertising in Facebook, Instagram, LinkedIn and creating animated videos with Tik Tok. Internally we have a staff incentive scheme, 'recommend a friend', that gives staff a monetary reward for introducing a successfully recruited member of staff.

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.

From 1<sup>st</sup> April 2024 frontline staff will receive £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

**Risk Management (continued)**

out 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**

Following the Cyber Incident in January 2024 we put in place additional measures to protect our system from penetration and loss of data. 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 on line. We have deployed new cyber security software and now have a Managed Detection and Response service to detect illicit software or attempted penetrations. We have upgraded most of our servers to the 2019 and have introduced Multi Factor Authentication (MFA) to our key system users already with the rest of our staff having it once we have completed the roll out of Microsoft 365 in early 2024/25.

We had moved a number of our key systems to the cloud including our Finance, Property, Recruitment and Learning and Development system and it is within our Strategic Plan for

2024-27 to source new HR and Payroll systems which will be cloud based. Following the Cyber Incident we will also be looking to gain Cyber Essentials Plus status and are currently well placed to achieve that in 2024/25.

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.

**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 regards 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, Health Protection Scotland and Covid 19. 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



**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Risk Management (continued)**

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. 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 regards 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 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 2024.

**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

**Report of the Management Committee (Continued)**  
**Year ended 31<sup>st</sup> March 2024**

**Employee Involvement and Employment of Disabled Persons (Continued)**

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.

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**

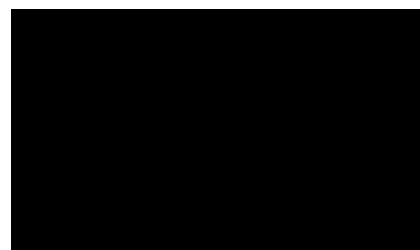
Each year we are required by our rules and by law to appoint the Charity's auditor. Our auditor, BDO LLP, have already intimated their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

**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**

A large black rectangular box used to redact the signature of the Management Committee member.

**18th September 2024**

**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 2024 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 prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the 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 2024 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 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 related 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.

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

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.

**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 and, except to the extent otherwise explicitly stated in our report, 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 in relation to which the Cooperative and 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 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

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

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 is 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.

**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 sector 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 Benefit 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.

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

Our procedures in respect of the above included:

- reading minutes of meetings of those charged with governance, reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and 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.

*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; and
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;

Based on our risk assessment, we considered the areas most susceptible to fraud to be the posting of inappropriate journal entries to manipulate financial results and the existence of service user income in the year.

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 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;
- addressing the risk of fraud over existence of service provision income by carrying out a reconciliation of income recognized to cash received and substantively testing reconciling items; performing cut-off testing to ensure that income was recorded in the correct period; and performing a test of control over approvals of hours provided throughout the year.

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

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

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 at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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

20 September 2024

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).

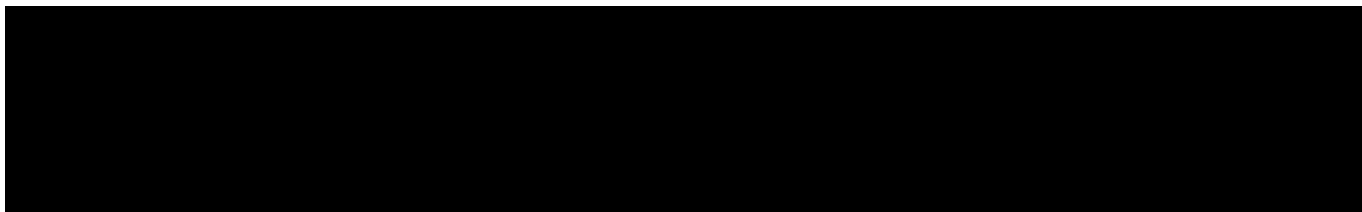


**Statement of Financial Activities for the Year Ended 31st March 2024 (incorporating an Income and Expenditure Account)**

		<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>2024</u>	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations		-	13	13	-	33	33
Investment income		1,803	-	1,803	794	-	794
<b>Charitable activities</b>							
Care services		101,164	200	101,364	98,008	175	98,183
<b>Other income</b>		-	-	-	627	-	627
<b>Total Income</b>	2	102,967	213	103,180	99,429	208	99,637
<b>Expenditure on:</b>							
<b>Charitable activities</b>							
Care services		97,317	191	97,508	92,621	198	92,819
<b>Total expenditure</b>	3	97,317	191	97,508	92,621	198	92,819
<b>Net income/(expenditure) before investments</b>		5,650	22	5,672	6,808	10	6,818
<b>Net gain (loss) on investments</b>		1,802	-	1,802	(1,368)	-	(1,368)
<b>Net income/(expenditure)</b>	4	7,452	22	7,474	5,440	10	5,450
Transfers between funds	11, 12	-	-	-	-	-	-
Net movement in funds		7,452	22	7,474	5,440	10	5,450
Total funds at 1 April		72,382	740	73,122	66,942	730	67,672
<b>Total funds at 31 March</b>	11, 12	79,834	762	80,596	72,382	740	73,122

All amounts relate to continuing operations.

Approved and authorised for issue by the Management Committee on 18th September 2024

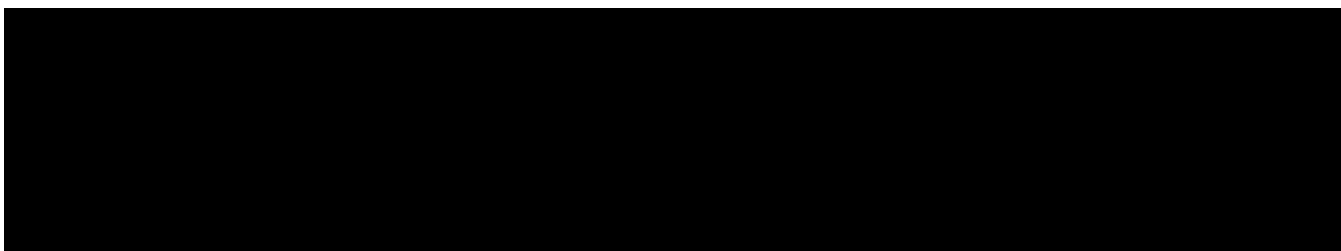


The notes on pages 35 to 49 form part of these financial statements

## Balance Sheet as at 31st March 2024

	<u>Note</u>	<u>2024</u> £'000	<u>2024</u> £'000	<u>2023</u> <u>Restated</u> £'000	<u>2023</u> <u>Restated</u> £'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	6		16,536		15,735
Investments	7		19,997		18,251
			<u>36,533</u>		<u>33,986</u>
<b>CURRENT ASSETS</b>					
Debtors	8	10,944		10,638	
Current Investments: fixed term and notice deposits	19	22,455		7,686	
Cash and Bank	19	19,156		28,973	
		<u>52,555</u>		<u>47,297</u>	
<b>CREDITORS</b>					
Amounts falling due in less than one year	9	(8,492)		(8,161)	
<b>Net current assets</b>			<u>44,063</u>		<u>39,136</u>
<b>Total assets less current liabilities</b>			80,596		73,122
<b>NET ASSETS</b>	13		<u>80,596</u>		<u>73,122</u>
<b>FUNDS &amp; CAPITAL</b>					
Share Capital	10		-		-
Unrestricted Funds: General Funds	11		37,063		33,989
Designated Funds	11		42,771		38,393
Restricted Funds	12		762		740
<b>TOTAL FUNDS</b>			<u>80,596</u>		<u>73,122</u>

Approved and authorised for issue by the Management Committee on 18th September 2024



The notes on pages 35 to 49 form part of these financial statements

**Cash Flow Statement for the Year Ended 31st March 2024**

	2024 £'000	2023 £'000
<b>Cash flows from operating activities:</b>		
Net income for the reporting period	7,474	5,450
Adjustments for:		
Depreciation charges	733	586
(Gain)/Loss in investments	(1,802)	1,368
Dividends, interest and rents from investments	(1,804)	(794)
Decrease in stock	-	18
(Increase)/Decrease in debtors	(306)	2,577
Increase in creditors	331	897
(Decrease) in provisions	-	(450)
<b>Net cash provided by operating activities</b>	<b>4,626</b>	<b>9,652</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	1,804	794
Purchase of property, furniture and equipment	(1,533)	(1,370)
Purchase of listed investments	(6,295)	(7,022)
Sale of listed investments	6,264	3,073
Placed in fixed-term and notice deposit accounts	(14,770)	-
Withdrawal from fixed-term and notice deposit accounts	-	6,875
<b>Net cash (used in) investment activities</b>	<b>(14,530)</b>	<b>2,350</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(9,904)</b>	<b>12,002</b>
Cash and cash equivalents at the beginning of the reporting period	29,278	17,276
Cash and cash equivalents at the end of the reporting period	<b>19,374</b>	<b>29,278</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank	19,156	28,973
Cash held in investments	218	305
	<b>19,374</b>	<b>29,278</b>

Cash Flow Statement for the Year Ended 31st March 2024 (Continued)

	Consolidated Analysis of Net Debt For the Year Ended 31 March 2024			
	<u>As at 1 April</u> <u>2023</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>2024</u> <u>£'000</u>
Cash and Bank	28,973	(9,817)		19,156
Cash with Investment Managers	305	(87)		218
	<b>29,278</b>	<b>(9,904)</b>		<b>19,374</b>

The notes on pages 35 to 49 form part of these financial statements

**Notes to the Financial Statements  
For the year ended 31 March 2024****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 31<sup>st</sup> March 2024 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 1n).

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 31<sup>st</sup> March 2024 TRFS has cash reserves of £41.6m and has framework contracts with 26 of Scotland's 32 Local Authority areas providing services to the value of £101.4m in 2023/24. The Management Committee and its Directors work on the principal 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 forecast up to September 2025 to test the robustness of the organisation under stressed conditions focusing to two main 'shocks' to the organisation. Firstly, that we lose the care provision contracts in our 5 largest Local authority areas from 1st March 2025 and secondly, that payment for our services is extended to 60 days from 1st October 2024 from its present position of 26 days, an increase of 34 days. Our 5 largest Local authorities represent 46.8% of our Income from the provision of care. In the first instance the organization would continue to meet its Capital Expenditure commitments in the 21 Local authority areas in which it remained as these would meet our strategy of growth and would add services that were financially viable and cashflow positive. While we would make a

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**1. Principal Accounting Policies** (continued)

**a) Going Concern** (continued)

Deficit in the year to 30th September 2025 of circa £809k we would mitigate this Deficit through the benefit of growth generated by our Capital Expenditure and through the rationalisation of our support infrastructure which would no longer be required to support 46.8% of our services. We have a strong cash position which would be able to sustain a continued Capital expenditure program and a significant period of receipts from Local Authorities extending to 60 days.

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 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.

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

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024****1. Principal Accounting Policies** (continued)

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.

**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

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**1. Principal Accounting Policies** (continued)

**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 2023/24 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.

**c) 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:

The carrying value of properties within Fixed Assets is considered annually with a view to the condition and ongoing use of the assets in carrying out charitable activities.

Bad debt provision. Debtor balances held at the year end have been reviewed and a view has been taken on the probability of recovery. Where debts are deemed to be unrecoverable a 100% provision has been made.



**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**2. Income**

	<b>2024</b>		<b>2023</b>	
	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>
Donations	-	13	-	33
Investment income:				
Bank interest	1,323	-	280	-
Investment income	480		514	
Performance related Grants	-	200	-	175
Payments for delivery of services	98,221	-	95,266	-
Charges to users of services	2,943	-	2,742	-
Other income	-	-	627	-
	<u>102,967</u>	<u>213</u>	<u>99,429</u>	<u>208</u>

**3. Expenditure**

	<b>Activities Undertaken £'000</b>	<b>Support Costs £'000</b>	<b>2024 Total £'000</b>
Charitable activities	<u>90,835</u>	<u>6,673</u>	<u>97,508</u>
	<b>Activities Undertaken £'000</b>	<b>Support Costs £'000</b>	<b>2023 Total £'000</b>
Charitable activities	<u>86,316</u>	<u>6,503</u>	<u>92,819</u>

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

	<b>2024 £'000</b>	<b>2023 £'000</b>
Staff costs	5,289	5,072
Property costs	278	412
Governance costs	119	104
Other costs	<u>987</u>	<u>915</u>
Total	<u>6,673</u>	<u>6,503</u>

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**4. Net income for the year**

The net income for the year is stated after charging:

	<u><b>2024</b></u> <b>£'000</b>	<u><b>2023</b></u> <b>£'000</b>
Auditors remuneration		
In their capacity as auditors	46	36
Depreciation of tangible fixed assets	733	586
Operating lease rentals	1,118	1,166

**5. Staff Costs**

	<u><b>2024</b></u> <b>£'000</b>	<u><b>2023</b></u> <b>£'000</b>
Wages and Salaries	78,658	75,945
Termination/redundancy payments	169	235
Social security costs	6,507	6,361
Training Costs	371	352
Pension costs	1,927	1,843
	<u>87,632</u>	<u>84,736</u>

No trustee (2023: none) received travel expenses for attendance at meetings (2023: £nil). The Chairperson received remuneration of £8,484 (2023: £8,126) as authorised under section 36 of the Constitution. Only Nina Fletcher as a Vice Chairperson received remuneration of £4,243 (2023: £4,063) 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.

Austen Smyth, CEO and trustee, had benefits paid of £223,044 in the year. The benefits paid included salary and car benefit and were in relation to his employment services to the charity (2023: £213,632). There were no pension contributions.

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

	<u><b>2024</b></u>	<u><b>2023</b></u>
£60,000 to £70,000	8	-
£90,000 to £100,000	3	4
£110,000 to £120,000	1	-
£210,000 to £220,000	-	1
£220,000 to £230,000	1	-

The total contributions to defined contribution pension schemes for staff within the above bands is £70,904 (2023: £35,307).

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**5. (Continued)**

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 £745,145 (2023: £706,364).

	<u><b>2024</b></u>	<u><b>2023</b></u>
The average number of staff was:		
Staff directly providing services	3,094	3,159
Office staff	<u>140</u>	<u>129</u>
	<u><u>3,234</u></u>	<u><u>3,288</u></u>

**6. Tangible Fixed Assets**

	Heritable Land and Property £'000	Leasehold Improvements £'000	Office Fixtures £'000	Furniture & Equipment £'000	Total £'000
Cost : at 1/4/23	18,111	168	419	1,951	20,649
Additions	1,236	3	-	295	1,534
Disposals	-	(67)	-	(35)	(102)
At 31/3/24	<u>19,347</u>	<u>104</u>	<u>419</u>	<u>2,211</u>	<u>22,081</u>
Depreciation: at 1/4/23	2,743	145	419	1,607	4,914
Charge for year	408	6	-	319	733
On disposals	-	(67)	-	(35)	(102)
At 31/3/24	<u>3,151</u>	<u>84</u>	<u>419</u>	<u>1,891</u>	<u>5,545</u>
Net Book Value At 31/3/24	<u>16,196</u>	<u>20</u>	<u>-</u>	<u>320</u>	<u>16,536</u>
At 31/3/23	<u>15,368</u>	<u>23</u>	<u>-</u>	<u>344</u>	<u>15,735</u>

Heritable land and property includes land at a cost of £1,055,000 (2023: £1,055,000) and assets under construction at a cost of £309,000 (2023: £992,000). All leasehold improvements relate to short leaseholds.

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**7. Fixed Asset Investments**

Fixed asset investment movements:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Market value:</b>		
Opening market value at 1/4/23	17,946	15,365
Additions	6,295	7,022
Disposals	(6,264)	(2,881)
Gain/(loss) on investments	1,802	(1,560)
Market value at 31/3/24	<u>19,779</u>	<u>17,946</u>
Cash held for investment	218	305
<b>As at 31 March 2024</b>	<u>19,997</u>	<u>18,251</u>
Represented by:		
Listed Investments	19,779	17,946
Cash held	218	305
	<u>19,997</u>	<u>18,251</u>
<b>Analysis of Investments by type</b>		
Fixed income (bonds)	3,400	2,955
UK equities	3,507	3,541
Global equities	10,529	8,794
Absolute return	567	1,160
Property	407	357
Commodities	620	552
Alternative investments	477	587
Cash product	272	-
Cash	218	305
	<u>19,997</u>	<u>18,251</u>
<b>The market value represents:</b>		
Investments listed on a recognised stock exchange		
United Kingdom	6,629	6,061
Outside the United Kingdom	13,150	11,885
Cash	218	305
	<u>19,997</u>	<u>18,251</u>
<b>Historic cost:</b>		
Investments held	18,019	17,946
Cash held for investment	218	305
	<u>18,237</u>	<u>18,251</u>

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**8. Debtors**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Trade debtors	7,133	7,502
Prepayments & accrued income	<u>3,811</u>	<u>3,136</u>
	<u><u>10,944</u></u>	<u><u>10,638</u></u>

**9. Creditors: amounts due within one year**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Trade creditors	740	551
Accruals & deferred income	5,796	5,791
Payroll taxation and social security	1,595	1,466
Pensions	<u>361</u>	<u>353</u>
	<u><u>8,492</u></u>	<u><u>8,161</u></u>

**Deferred Income**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Balance as at 1 April 2023	4	127
Released in year	(4)	(127)
Deferred income for year	<u>-</u>	<u>4</u>
Balance as at 31 March 2024	<u><u>-</u></u>	<u><u>4</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. (2023: 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 2024**

**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	
<b>Income</b>						
Donations	-	-	-	-	-	-
Operating income	101,164	-	-	-	-	101,164
Investment income	1,323	-	480	-	-	1,803
<b>Total income</b>	102,487	-	480	-	-	102,967
<b>Charitable Expenditure</b>						
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
<b>Total expenditure</b>	96,095	401	212	609	-	97,317
Net income/(expenditure) before investments	6,392	(401)	268	(609)	-	5,650
Net gains 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
<b>Funds at 31/3/24</b>	37,063	15,967	973	4,281	21,550	79,834

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**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	
<b>Income</b>						
Operating income	98,635	-	-	-	-	98,635
Investment income	280	-	514	-	-	794
<b>Total income</b>	98,915	-	514	-	-	99,429
<b>Charitable Expenditure</b>						
Direct costs of services	84,015	337	147	306	210	85,015
Support costs for services	6,482	-	-	-	-	6,482
Management & administration	1,124	-	-	-	-	1,124
<b>Total expenditure</b>	91,621	337	147	306	210	92,621
Net income/(expenditure) before investments	7,294	(337)	367	(306)	(210)	6,808
Net (loss) on investments	(1,368)	-	-	-	-	(1,368)
Net income/(expenditure) before transfers	5,926	(337)	367	(306)	(210)	5,440
Transfers between funds	(2,639)	992	-	747	900	-
Net movement in funds	3,287	655	367	441	690	5,440
Funds at 1/4/22	30,702	14,474	338	3,718	17,710	66,942
<b>Funds at 31/3/23</b>						
<b>Income</b>	33,989	15,129	705	4,159	18,400	72,382

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 other fund the ongoing maintenance of the Chalets at Todhill Farm in North Ayrshire.

The Furniture Fund has been established to account for the planned cyclical replacement of furnishings with the aim of utilising the fund as items reach the end of their useful life. It is anticipated that this fund will be utilised within 5 years.

The Maintenance Fund is established on the same basis as the Furniture Fund but for the cyclical maintenance and redecoration of properties either owned or rented by the charity. It is anticipated that this fund will be utilised within 10 years.

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 2024**

**12. Restricted Funds of the Charity**

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

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
<b>Income</b>				
Donations	-	33	-	33
Operating income	175	-	-	175
<b>Total income</b>	<b>175</b>	<b>33</b>	<b>-</b>	<b>208</b>
<b>Charitable Expenditure</b>				
Direct costs of services	148	17	12	177
Support costs for services	21	-	-	21
<b>Total expenditure</b>	<b>169</b>	<b>17</b>	<b>12</b>	<b>198</b>
Net Income/(expenditure)	6	16	(12)	10
Funds at 1/4/22	359	99	272	730
<b>Funds at 31/3/23</b>	<b>365</b>	<b>115</b>	<b>260</b>	<b>740</b>



**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**13. Analysis of Net Assets between funds including provisions**

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

	Fixed Assets £'000	Net Current Assets £'000	Total £'000
Property funds	260	-	260
Specific grants funds	-	365	365
Local fundraising funds	-	115	115
<b>Restricted funds subtotal</b>	<b>260</b>	<b>480</b>	<b>740</b>
Buildings fund	15,129	-	15,129
Participatory fund	-	705	705
Furniture / maintenance funds	-	4,159	4,159
Capital projects	-	18,400	18,400
<b>Designated funds subtotal</b>	<b>15,129</b>	<b>23,264</b>	<b>38,393</b>
General fund	18,597	15,392	33,989
<b>Total at 31/3/23</b>	<b>33,986</b>	<b>39,136</b>	<b>73,122</b>

**Notes to the Financial Statements** (continued)  
**For the year ended 31 March 2024**

**14. Operating Leases**

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	183	310
Later than one year and not later than five years	552	369
Later than five years	-	228
	<u>735</u>	<u>907</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 £1,927,296 (2023: £1,843,205). Contributions totalling £359,721 (2023: £352,155) 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**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Financial assets at fair value	<u>19,779</u>	<u>17,946</u>

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

Notes to the Financial Statements (continued)  
For the year ended 31 March 2024

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.

19. Prior Year Adjustment

A restatement of the Balance Sheet has been made for the year to 31 March 2023 to reclassify £7,686k of bank deposits with a maturity or notice period of 3 months or more, which did not meet the definition of cash or cash equivalent and were incorrectly included within cash on the Balance Sheet as previously reported.

The impact on the correction of the figures in the financial statements are given below:

	2023
Balance Sheet	£'000
Cash – as previously reported	36,659
As restated:	
Current Asset Investments: fixed-term and notice deposits	7,686
Cash and Bank	28,973
	<hr/>
	36,659
	<hr/>