



**Aberlour Child Care Trust**

**Annual Report and Financial Statements**

**Year ended 31 March 2024**

**Company Number SC312912**

**Scottish Charity Number SC007991**

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

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# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Charity Information**

#### **Trustees**

David Robb – Board Chair  
Robert Lindsay – Deputy Board Chair and Chair of Nominations & Succession Committee  
Antony John Sinclair – Chair of Finance Committee  
Jane Elizabeth Morgan - Chair of Improvement, Audit & Risk Committee  
Andrew Black – Chair of Investment Committee  
Timothy Armstrong  
Michelle Armstrong-Surgenor  
Jozanne Bainbridge  
Roch Cantwell (appointed 4 December 2023)  
Gavin Falconer  
Ross Mathison  
Jennifer Robertson

#### **Chief Executive**

SallyAnn Kelly OBE

#### **Company Secretary**

John Coe

#### **Charity Number**

SC007991

#### **Company Number**

SC312912

#### **Registered Office:**

Kintail House  
Forthside Way  
Stirling, FK8 1QZ  
Tel: 01786 450 335  
[www.aberlour.org.uk](http://www.aberlour.org.uk)

#### **Auditor**

BDO LLP  
Registered Auditor  
Citypoint  
65 Haymarket Terrace  
Edinburgh, EH12 5HD

#### **Investment Managers**

Quilter Cheviot Investment Management  
Delta House  
50 West Nile Street  
Glasgow, G1 2NP

#### **Bankers**

The Royal Bank of Scotland plc  
Unit 22/23  
Goosecroft Road,  
Stirling, FK8 2EA

#### **Solicitors**

MacRoberts LLP  
60 York Street  
Glasgow  
G2 8JX

Kerr Stirling  
10 Albert Place  
Stirling  
FK8 2QL

Clyde & Co. LLP  
144 West George Street  
Glasgow  
G2 2HG

Kennedys  
Baird House  
4 Lower Gilmore Bank  
Edinburgh  
EH3 9QP

# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Chair's Foreword**

In my fourth year as Chair of Aberlour, I continue to be impressed with the strength of the organisation and the key role it plays in supporting many thousands of children and families in the areas of Scotland that we are privileged to operate services in.

Our continued success in growing the organisation to reach more children, young people and families has seen the organisation's income grow substantially over this past year. This growth does bring with it organisational and operational challenges. The Trustees, however, remain confident in the excellent work carried out by the Senior Leadership Team in managing those challenges and ensuring Aberlour remains sustainable in its activities for the ultimate benefit of the people we support.

The first of two Mother & Child Recovery houses, where service delivery has been funded by the Scottish Government to 2026, opened in December 2022 in Dundee. Our second house was secured in Falkirk within this financial year, with renovation works nearing completion towards the end of 2023/24. The planned opening of the second facility is set for July 2024, where we anticipate welcoming in women and children to the facility. These services see Aberlour return to the area of work in residential rehabilitation and recovery, with a new model of support for mum's who have problematic alcohol and drug use. The aim of the service is to prevent drug deaths and avoid children being taken into care by keeping families together. The Board of Trustees are fully supportive of this exciting piece of work and are kept informed of progress on growth in services like this one through our various committees and Board meetings throughout the year.

Our overall financial performance in the current year is better than we had anticipated, with a planned use of restricted and unrestricted reserves which had been budgeted for. Analysis of the financial performance of the organisation is overseen by the Finance Committee, who report back to the full Board on a regular basis.

Aberlour's work in relation to improving its services, and the recording of impact and outcomes for the people we support continues to be at the forefront of reporting received from Aberlour management with improvements in the use of our CRM system (Dynamics) a key focus improvement area, where significant effort has been made to enhance the recording of the care we deliver and the impact that has on children and families. Digital KPI dashboards are used to present this information to Committees and the Board of Trustees to articulate key messages.

These tools are still being developed but have already allowed the Trustees to review and assess impact and outcomes with greater clarity. From a governance perspective our Improvement, Audit & Risk Committee scrutinises performance and challenges management to continue to meet our success criteria and key performance indicators.

Our Investment Committee continue to monitor and scrutinise our investment portfolio performance, and are in regular contact with our Investment Manager's, Quilter Cheviot, to ensure our investment portfolios remain stable, while still delivering for Aberlour's needs.

The Transforming Together sub-committee was disbanded during the financial year. This sub-committee was set up following receipt of funding from the Big Lottery to change and enhance Aberlour's systems including our digital provision. The Board sub-committee was set up specifically in line with requirements of the additional funding received from the Big Lottery. That funding and work is now finished, and we have reported back to the Big Lottery on project outcomes. I'd like to thank those on that sub-committee for their scrutiny and diligence as well as the support provided to Aberlour management and staff in improving our digital usage and changes in systems.

Aberlour has continued to lead in our campaign work and in challenging those in positions of power or influence, where the rights of children and families are not being upheld. Our campaign work in the prior year around poverty and our focus on eliminating school meal debt, led to a number of positive outcomes within this financial year. This included a high-profile media campaign which was in partnership with the Scottish Sun, on the back of our research showing that over £1.2m of school meal debt was being chased by Local Authorities through debt collection processes, involving families who could least afford it. Our campaign was successful in influencing the Scottish Government, who included £1.2m in their 24/25 Budget to Local Authorities to write-off this debt, releasing many of the poorest families from having this debt burden.

### **Chair's Foreword (continued)**

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

Aberlour signed up to the Scottish Government's scheme for Financial Redress for Abuse Survivors in 2021 and continues to make annual payments to this scheme. This recognises Aberlour's role in the past where care standards and safeguarding sometimes fell short of the high standards currently in place. In acknowledging past misdeeds, Aberlour reiterates its apology to those who suffered any hurt while in our care and hopes the redress payments give some comfort to those affected.

Looking forward, the country's regulatory framework and more enlightened care practice must ensure this abuse does not happen again and we strongly support The Promise and the evolution that must be allowed from that. The Board is pleased to report that Aberlour are working with Local Authorities and other care providers to try and keep The Promise, through systems change initiatives as well as ground-breaking projects looking to reduce the practice of restraint in residential care settings.

The Aberlour Urgent Assistance Fund (AUAF) maintained a high level of demand across Scotland throughout the year, and our Winter Campaign from November 2023 to January 2024 helped to bring in vital funds for the AUAF. Significant monies were gratefully received from grant-making charitable trusts, as well as compassionate individual donors, which boosted our ability to make a high number of awards to families.

It is still a concern however that we see little abatement in demand for the AUAF. Efforts continue to augment monies, including how we can be creative in use of our own resources, as we can evidence both the need and the impact of the grants we award.

Finally, it is important to recognise that global issues are still having an impact here in Scotland, and Aberlour prides itself on always "being-there" for vulnerable children who have been affected by those issues, no matter where they come from. This can be directly seen through our work with unaccompanied asylum-seeking children and young people, many of whom have been exploited and trafficked, in our Guardianship Scotland Service (in partnership with SRC) and the growth in our work in Highlands, where we are supporting young people placed there through the UK Government's National Transfer scheme. Unfortunately, the need for these services continues to rise, however Aberlour will do all it can to help these children and families while they are here in Scotland.

My thanks again to fellow Board members, to the talented and dedicated Aberlour staff and to the many kind volunteers and supporters who make it possible for us to continue to be brave for children across Scotland.

**DAVID ROBB,**  
**CHAIR**

# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Chief Executive's Report**

I am delighted to share the progress Aberlour has made in 2023/24 where we continued to follow our Being Brave Strategy (2021-25). This was the result of extensive consultation with children, young people, and families, our service based and central function staff and the Board of Trustees. The strategy sets out our aims to advance our fight against poverty and discrimination and to support more children and families across diverse communities.

The year continued to bring unprecedented economic uncertainty and financial hardship for families, particularly during the Winter months of 2023 into early 2024. Our focus remained on how to alleviate some of these hardships through our Family Support services and by distributing emergency cash grants via our Urgent Assistance Fund.

Once again, our Winter Campaign focused on poverty with the income generated from that campaign going directly to our Urgent Assistance Fund. From November 2023 we raised over £210k towards the AUAF. In total we distributed £411k in the year in urgent assistance grants. This funding went directly to families most in need for essential items such as food, clothing, bedding and heating.

We continued to grow our portfolio of services, informed by the voices of our children and families. This has included the further expansion of our Sustain Intensive Family Support Services across Scotland and the creation of the second Mother & Child recovery House in Falkirk, for women affected by drug and alcohol misuse and their babies. Our children's residential services continue to perform well offering high quality and trauma responsive care, which is recognised by our Good and Very Good ratings through the Care Inspectorate for those facilities.

Underpinning all Aberlour delivery has been Keeping the Promise. We ensured that The Promise principles guided our decision making from our strategy down to the individual support offered to families. We continue to work directly with the Promise team on several areas, including systems change activity to help partner organisations reduce the use of restraint in their residential homes, promote better Care Leaver moving on support, and develop more impactful family financial wellbeing. We received funding specifically from the Promise to work in East Renfrewshire and in Highlands to help those local authorities with that work from a children's services perspective.

We have continued speaking truth to power. We have been bold in our campaigning and persistent in our influencing. Our commissioned research from 2022/23 focusing on the impact of public debt on families and in particular the impact school meal debt continued to have in this financial year. We presented findings to the Scottish Government and entered into a partnership with the Scottish Sun to raise further awareness of this issue. This helped to influence the Scottish Government policy decision to include funding for local authorities to write off school meal debt for families in their 24/25 Budget proposals.

It remains an immense privilege to lead Aberlour, navigating the organisation through troubled economic and political times. Our organisational values of integrity, respect, challenge, and innovation remain at the heart of all that we do. I would like to thank our supporters for their continued backing and generosity which has allowed us to reach more children and families in Scotland who are most in need of support.

### **Delivering services to children and families**

We have continued to maintain, develop, and invest in a wide range of children and family support Services across Scotland. This includes community-based and residential services. Highlights include:

- Strengthening and expanding our service provision in Glasgow City Council through our Intensive and Early Intervention services. During the year we were successful in winning the city-wide tender in all lots applied for, which gives long-term sustainability and certainty from July 2024. This will also expand the service to the North-East of Glasgow, which is a new area for Aberlour.
- Successfully influencing the Scottish Government to increase their funding allocation to Guardianship Scotland, in partnership with Scottish Refugee Council, by £300k in 23/24 and

# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Chief Executive's Report (continued)**

- £1.2m in 24/25. This reflects the increased demand to provide support to young people in Scotland going through the asylum process.
- Continued growth to support the National Transfer Scheme for Unaccompanied Asylum-Seeking Children, in partnership with the Scottish Refugee Council across Scotland and with Highland Council.
- Children's residential services – continued to deliver quality outcomes for children and young people in our Sycamore Fife, Highland and Tayside services.
- Embarking on the first phase of re-modelling our residential care provision, by investing in a new build property, to provide a better living environment and smaller provision for the young people in our care. The new build property in Markinch, Fife, achieved final settlement in April 2024 and opening of the service in May 2024 respectively, however much of the design work and planning with Internal and External colleagues (including care Inspectorate) was carried out within this financial year.
- Successfully seeing the progression and positive outcomes for the first of our referrals to the Dundee Mother & Child Recovery house. We will continue to evaluate this service, and the second house opening in Falkirk, to further evidence the impact this vital service makes.

### **Business Development**

Our achievements in service delivery have been enabled by another outstanding year for our business development team which has achieved 86% success rate for development opportunities (across tenders and strategic funding applications). This success is testament to the quality of the services we deliver and the skills of our people. Key achievements include:

- Glasgow Family Support Tender – Won in all lots applied for (Potential value approximately £17.5m over 7 years)
- Options Fife – Successful in winning a 3-year tender, continuing work to deliver a short breaks and outreach service in Fife for young people with disabilities (value £1.6m over 3 years)
- Guardianship Scotland – supporting the increase in funding for the Guardianship service beyond tender value, of £300k in 23/24 and a further £1.2m in 24/25.

### **Challenges Faced**

The year also brought its challenges for the charity. Our staff and families we support continued to feel the effects of the rising cost of living, particularly through the winter months of 2023/24. Aberlour tried to alleviate some of that pressure on our staff by ensuring a fair pay uplift for all. Our Board of Trustees also took the decision to help staff with a Winter Payment for the second year in a row, to try and alleviate some of the pressures faced. This was well received by staff members.

Staff recruitment continued to be a challenge faced by our sector in various regions across Scotland. This was particularly apparent in our disability respite services in Fife and the Scottish Borders. We continued to try various methods of recruitment and encouraged our staff teams and HR colleagues to think creatively, utilising, in-person events, local flyers, online advertising and engagement events as well as our usual recruitment avenues. This creativity did pay off in helping to fill long-term staffing vacancies for services in Fife, Lothians and in Aberdeen, which previously had been difficult to fill. This also helped aide the recruitment activity carried out towards the end of the financial year, filling vacancies for new services due to start in early 2024/25 (eg the Mother & Child recovery house in Falkirk)

### **Child Poverty**

We continue to campaign to challenge the Scottish and UK Governments to do more to lift families out of poverty. As a member of the End Child Poverty coalition, we lobbied the Scottish Government to double the Scottish Child Payment for low-income families. Since April all eligible families now get £20 per child per week (more than £1,000 per year for every child) in their pockets. The Scottish Government has committed to raise that further to £25 per child by the end of this year when all eligible families with children under 16 can access the payment. But we know this still isn't enough to lift many families out of poverty, and so we are calling for the payment to be doubled again to £40 per child per week from next

# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Chief Executive's Report (continued)**

year. We continued to lobby Government in relation to the impact of debt to public bodies being experienced by some of our poorest families.

The Urgent Assistance Fund has highlighted the challenges many families experience accessing emergency financial support when they are in crisis. We are continuing to call for improvements to the Scottish Welfare Fund which we know does not work for many families in financial crisis. We are working with partner organisations, political parties and MSPs to challenge the Scottish Government to make these changes and improvements now, not later, so that families in real financial difficulty can be guaranteed help when they need it during the current cost of living crisis.

Our campaigning and influencing work highlight the day-to-day challenges faced by children and families we work with affected by poverty. We have continued to meet with and lobby Scottish Government ministers, civil servants and MSPs to do more to lift children out of poverty by increasing household incomes and putting more money in families' pockets.

### **UNCRC**

In our current strategy, Being Brave, we made a commitment to "work relentlessly to ensure that the United Nations Convention on the Rights of the Child (UNCRC) is fully embedded in law and is visible across our organisation and obvious in what we do and how we work with children, young people, and their families". We have taken steps to make sure all our work across Aberlour is guided and directly informed by UNCRC in a connected and consistent way, and children and young people's participation is at the heart of how we achieve that. We have continued to work with the Scottish Government to support their work on UNCRC incorporation. Aberlour young people have participated in the young person led the UNCRC incorporation reference group, Rights Right Now. We are also working with the Scottish Government through the UNCRC Parents' Reference Group to make sure the voices and views of parents we work with inform and influence how the Scottish Government implements UNCRC legislation.

### **Education and Learning**

Our parliamentary influencing and public engagement activity has highlighted our commitment to supporting the learning and education of children and young people across our services, in school and at home, in ways that best respond to their needs. This has included a focus on how better Scotland can support the learning of children living in poverty by responding to challenges children face before and beyond the school gates; ensuring supportive and nurturing relationships in achieving this; and the unexpected positive impact of the pandemic and learning away from the formal school environment for some children living in our residential children's houses. We have engaged directly with the work of the Scottish Parliament's Education, Children and Young People Committee by giving evidence formally to inform their work on improving attainment, and by supporting children and young people we work with to participate in sessions with the Committee.

SallyAnn Kelly OBE,

Chief Executive

# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Directors' (Trustees') Report (including Strategic Report)**

The Trustees present their report and financial statements for the year ended 31 March 2024. These have been prepared in accordance with UK Generally Accepted Accounting Practice, the requirements of the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Companies Act 2006 and the Charities SORP (FRS102).

#### **Structure, Governance and Management**

Aberlour was founded as an orphanage by Canon Charles Jupp in 1875 on his belief that every child has the ability flourish in society, regardless of the circumstances of their birth. In 1978 Aberlour Child Care Trust became a Scottish Charity constituted by statutory instrument. On 31 March 2010, the Trust was wound up and on 1 April 2010 all assets, liabilities and undertakings were transferred entirety to a charitable company limited by guarantee, Aberlour Child Care Trust. The Office of the Scottish Charities Regulator approved the transfer, with the principles and ethos of Canon Jupp continuing, now reflected in Aberlour's values of Integrity, Challenge, Innovation and Respect.

The Trustees of Aberlour are the members of the charity with their liability limited to £1 each. A review of the constitution was concluded in 2018 to ensure governance remains effective and flexible to adapt to future developments.

The Board comprises individuals elected as Trustees by the Board, based on their experience and ability to make positive contributions to governance of the charity. New Trustees have references taken up, along with enhanced Disclosure Scotland checks. Induction packs and briefings on Aberlour's policies and plans are provided and Trustees are encouraged to visit operational Services. It is Board practice to elect Trustees to serve an initial four-year term, which can be extended for a second four years with Board approval. Regular and ongoing training is provided to Trustees on governance and matters topical in the childcare sector.

The Board meets at least four times a year; it approves the strategic plan and budget for the forthcoming year in March and at each meeting monitors performance and outcomes. The Board operates four standing committees namely: Finance; Improvement, Audit & Risk; Nominations & Succession; and Investment Committees. Implementation of the strategy and financial plan is delegated to the Chief Executive.

The Board assesses major risks to which Aberlour is exposed, including those relating to services provided to children & families and organisational finances. A corporate strategic risk register is reviewed regularly by Senior Leadership Team, bi-annually by the Board and regularly by Improvement, Audit & Risk Committee.

The Trustees who held office since 1 April 2023 are listed on page 1.

#### **Key Management**

Key management of Aberlour is carried out by the Senior Leadership Team which consists of the Chief Executive, Chief Officer, two Directors of Children and Families, Director of People & Quality, Director of Growth & Marketing, Director of IT & Digital, and the Director of Finance & Resources, who is also the Company Secretary.

#### **Overview**

Aberlour Child Care Trust is proud of its heritage, and it continues to be recognised for high quality, innovative work with some of Scotland's most vulnerable young people and families. During the past year we continued to operate within a challenging economic environment, with ongoing funding restrictions bearing down on public sector finances. Further reductions in some areas of public spending have meant that in some situations we operate with standstill budgets or, in some cases, have had to accept funding reductions. Long-standing Services can face re-tendering, which is challenging and introduces risks, but Aberlour has been successful in retaining contracts, winning work in new areas, and introducing innovative and transformational concepts. Our role has been strengthened in several areas where we have had a long-term presence.

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

#### **Directors' (Trustees') Report (including Strategic Report) (continued)**

We continue to promote the availability of the Aberlour Urgent Assistance Fund, which was created following the one-off donation from St Clair's Trust of £1,325k in 2015/16. In 2022/23 the value of the investment portfolio purchased with the donation received, stood at £1,561k (2021/22 - £1,435k). Income in 2023/24 totalled £366k (2022/23 - £583k), with awards distributed to beneficiaries in the year totalling £411k (2022/23 - £407k) across Scotland. These monies support families in crisis situations, often essential to maintaining stability within family units. Any earnings unspent in one year are carried forward as Restricted Funds into the following year. In 2018 OSCR approved an application to utilise capital growth to augment the capacity of AUAF. This and focused, successful fundraising campaigns have increased grant-making capacity allowing more need to be met in increasingly difficult circumstances. Our Winter Fundraising Campaign which ran from November 2023, again focused on relieving poverty through the Urgent Assistance Fund with income raised from that campaign totalling £210k, adding to the available funds to distribute through the AUAF.

Monies received from bequests and legacies totalled £127k (2022/23 - £16k) which improved Unrestricted Reserves funds.

With ongoing public sector funding constraints, in some services income for the year would have exceeded expenditure, so with funders agreement, Aberlour was able to apply accumulated Restricted Reserves for those services as required.

We continue to adapt organisational structures to improve efficiency to help meet future challenges, focussing on building a sustainable future. We regularly review our cost base with non-operational assets being sold and co-locating services and regional offices. During the year such a property was identified and sold, in Aberdeen, which was formerly the site of the Aberdeen regional office and a family service.

Aberlour seeks to influence national policy for children and young people, ensuring they are at the heart of decision-making processes of National and Local Government. We have embedded our volunteering strategy and have taken up opportunities available to services. As a learning organisation, we continue student placements, so the future childcare workforce benefits from our vast experience, knowledge, and skills.

The current economic climate is constrained, creating a challenging and commercially competitive landscape in the third sector. Aberlour continues delivering quality services, seeking new opportunities to grow our business. We collaborate with other charities and key stakeholders where this offers best value, reduces unnecessary duplication, and shares scarce resources.

#### **Vision and Services**

Aberlour understands that not all children are born with an equal chance. We are committed to working together to beat poverty and discrimination. Aberlour is the largest solely Scottish children's charity and each year we help a significant number of children, young people, and their families to cope with major obstacles such as disability, exclusion, parental drug/alcohol dependency, family breakdown and the challenges of moving to another country. We provide specialist, high-quality, community, and residential care services in over 40 service locations across Scotland ranging from high-needs care to early intervention.

We have delivered and invested in:

- Residential care services for young people of all ages, based upon our specialist care practice and philosophy and will extend our person-centred approach to optimise outcomes;
- The Sustain Service model now operates widely across Scotland as an innovation aiming to reduce the prospect of deterioration in the circumstances of young people often on the "edge of care";
- Our specialised Fostering Service which supports foster carers 24 hours per day, 365 days per year, including dedicated respite care for children in foster care;
- Support to children whose lives are affected by parental substance misuse;
- Residential care, short breaks and outreach services for young people with challenging and complex needs and often profound and severe learning difficulties and physical disabilities;

## **Directors' (Trustees') Report (including Strategic Report) (continued)**

- Support services for children and families impacted by parental learning disabilities;
- Support for young people not in education or employment who need help with life's challenges;
- Support and advocacy to children and young people who have arrived unaccompanied in Scotland and are navigating the asylum system;
- Information, training and leisure activities for young people living in areas of social deprivation, crime, drug or alcohol dependency and gang cultures in challenging estates in urban areas;
- Facilities to promote positive parenting, early years learning and social skills within vulnerable and disadvantaged families;
- Innovative support networks for women affected by poor mental health in perinatal stages; and,
- Training and education for childcare professionals to build and sustain a competent and confident workforce.
- Two Mother & Child Recovery houses, continuing our commitment to supporting women and children affected by substance abuse.

## **ACHIEVEMENTS AND PERFORMANCE**

### *Investing in our People*

Aberlour acknowledges and values the contribution staff make, which is recognised externally by holding the Investors in People accreditation. In February 2023 Aberlour was awarded the Investment in Diversity award, which is a fantastic achievement and a culmination of a year's work to ensure Aberlour is recognised as an employer that celebrates inclusion and diversity and is always striving to be the best employer that we can be while embracing diversity in our workforce. This award also covers the period including financial year 23/24.

Aberlour also featured in the Sunday Times Top 100 Best Places to work 2024, following a staff survey with a response rate of 67%. Some key indicators from those results: 91% of staff feel proud to work for the organisation; 84% feel happy at their work; 88% believe Aberlour cares about their wellbeing; 94% believe they do something worthwhile. Feedback and comments made by staff through this process will be utilised to develop and enhance staffing terms and conditions.

As part of our diversity & inclusion groups within Aberlour we have an established Pride Network which we offer staff support to encourage involvement in their activities and initiatives.

Aberlour operates fair and lawful practices in the promotion of equitable and needs-based access to training and career development resources for all staff. We view this as a key requirement to ensure our workforce remains skilled to meet changes and future development challenges.

Our annual one-day Staff Conference is a forum for staff consultation, celebrating successes in the contribution of our staff in the lives of the young people and families we support, but also considers developments in childcare and events that will shape childcare policy going forward. The day is shared with staff, young people, board members, invited guests – and the outside world through social media channels. The event is valuable at many levels and is an annual fixture. We hosted our in-person staff conference in October 2023, with special guest speakers including the Chair of The Promise Scotland, Fiona Duncan.

Aberlour is recognised as a Disability Confident employer showing our commitment to equal opportunities from the start of the recruitment process where we actively encourage applications from disabled people and support all staff in ongoing employment. Aberlour operates fair, lawful and enlightened practices in the promotion of training and career development for all staff regardless of disability.

Consistent with organisational values, we place great importance on employee training and development as a means of ensuring quality assurance and high standards. During 2023/24 there were 4921 Learning Activities completed by staff, with 2475 e-learning/workbook completions, and 2446 attendances at face-to-face courses (delivered either online or in person).

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

#### **Directors' (Trustees') Report (including Strategic Report) (continued)**

In total 382 courses were delivered, covering 107 different course headings, broadly categorised as Safeguarding, Health and Safety, Direct Practice and Management Development. 87 were externally delivered and 295 were delivered internally by the L&D Team with assistance from operational staff. The total attendance has decreased from the previous, partly due to changes in the L&D team, and the completion of roll out of a range of historical, organisation wide training programmes.

Staff absence rate was 5.01% in 2023/24 compared to 5.22% for 2022/23. Covid related absences have decreased from prior year, however, there have been greater levels of stress and anxiety related absences in 22/23. These instances relate to 95.27% personal rather than work-related stress.

Staff turnover has increased slightly to 23.33% in 2023/24, compared to 22.73% in 2021/22, with 17.5% leaving the organisation voluntarily. Staff recruitment has improved, with vacancies being filled for new and existing services across the country. Aberlour has continued its growth strategy during the year and opened or expanded new service provisions of varying sizes increasing our overall average headcount by around 4%.

Aberlour annually conduct gender pay gap reporting. For April 2024 we reported a 5.83% mean pay gap against a national average of 14.3%. As per legal requirements the report is published in full on our website.

#### *Investing in our Services*

We continue to deliver services that make a difference to the lives of children and families. A few of the highlights this year include the following:

- We invest in development, quality assurance and maintenance programmes for our services, which (where appropriate) we recognise as being home for the children and young people in our care.
- Our long-standing residential care provision in Fife, Tayside and the Highlands for young people who have experienced significant early adversity and trauma remain central to the organisation.
- Aberlour, purchased the second property which is being refurbished to launch the second of two Mother & Child Recovery Houses, specifically aimed at women with substance use issues to remain with their children (under 5) in a residential rehabilitation setting with outreach community support pre and post residential stays.
- We develop and promote our perinatal mental health services supporting women, children and their families with an innovative befriending model, operational in Forth Valley and East Lothian and more recently in the neo-natal ward at the Royal Hospital for Children & Young People in Edinburgh.
- We replaced part of our older vehicle fleet with newer Hybrid cars, more suitable to our family care provided in our residential services, with better environmental and safety specifications.

#### ***Fundraising***

##### Approach taken in using external fundraising agencies

During this Financial Year, we have conducted two proactive fund-raising campaigns involving a professional fund-raising agency:

- A small telephone fundraising campaign in partnership with QTS (Quality Telephone Services). QTS have been established for over 20 years, and they collaborate with over 80 charities. Our partnership with them has started in 2020. This past campaign involved calling 900+ members of the public who had expressed interest in our activities and had provided their phone number for us to contact them, and several of them chose to start giving to the charity regularly as a result of the call.
- A small face to face fundraising campaign in partnership with Aspect Fundraising. This was a test campaign and resulted in over 200 members of the public signing up to a regular monthly gift after a positive conversation with professional fundraisers working on our behalf in various venues across Scotland.

##### Standards, Compliance and Feedback

We will ensure that all our fundraising activity complies with Aberlour's core values and sector wide charitable Codes of Practices and the Scottish Fundraising Adjudication Panel. We are also registered with the Office of the Charity Regulator (OSCR). Additionally:

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

#### **Directors' (Trustees') Report (including Strategic Report) (continued)**

- QTS are a corporate member of the Chartered Institute of Fundraising; they are also registered with the Fundraising Regulator and Accredited by the Data & Marketing Association.
- Aspect Fundraising abide by the Fundraising Regulator's Code of Fundraising Practice and regulation

There were no failures to comply with the above standards during the financial year set out above.

We regularly listen to a random selection of call recordings supplied by QTS and provide feedback on their callers. We visited Aspect Fundraisers on site to observe how they represented our charity and the interactions they had with members of the public. In both cases, we are more than satisfied that our partners are representing Aberlour to a high standard and in a manner that is respectful of our values.

We received no complaints, directly or indirectly through our partners. (NB: Aspect Fundraising explicitly declare that they are committed to achieving zero complaints on all their campaigns).

#### Duty to Public

Both agencies used this year have extensive policies on protecting vulnerable people. All their professional fundraisers are trained in line with the Fundraising Regulator's Code of Practice and the Institute of Fundraising's guidance on Treating Donors Fairly.

We have obtained and discussed with them the relevant policies and procedures prior to entering into a partnership. It's important to state that no complaints or concerns were raised during the course of these activities.

Additionally, our Fundraising staff met all the fundraisers who represent Aberlour; they all have many years of experience fundraising and are all trained on how to spot signs of vulnerability, and what to do in that event.

#### **KEY PERFORMANCE INDICATORS**

Aberlour has KPI's that relate to organisational success measures. These will lead to positive impacts for the organisation and our young people. The KPI's are challenging, with the objective of improving outcomes for the young people we support and their families. A summary follows:

#### Sustainability

- It was aimed to maintain public funding above £16.4M. This target was exceeded by achieving £26.2M.
- It was targeted to reduce staff turnover by 5% from 25.3% over two years. Although a reduction to 23.33% was achieved, the target was missed by 3.03%. This reflects the difficulties in this area.

#### Impact

- To demonstrate the impact Aberlour has on the young people in our care, a KPI of 80% is set for the SHANARRI indicators to show overall as a status of "maintaining" or "improving". This target was exceeded, with an aggregate score of 92% being achieved.

#### Quality

- To demonstrate the quality of Services, a KPI has been set for services to achieve a Care Inspectorate overall score of 4 or more. This has been achieved; with 20 inspections taking place within the last year all of which scored an average of grade 4 or above.
- Aberlour aims to achieve a staff satisfaction score of 90% or above. There were staff surveys carried out during the Sunday Times Best Places to Work assessment, where overall staff satisfaction scores averaged 90.2%.

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

## **Directors' (Trustees') Report (including Strategic Report) (continued)**

### Growth

- We targeted a 20% increase in overall revenue by 2025, from a base level of 2020/21 £19.7m, which gave a target of £23.6m. Performance has been strong, with a revenue increase of 50% already achieved at the end of 2023/24 with income of £29.6m.
- An increase in fostering and residential numbers to 88 placements by 2025 was targeted. This total has reached 75 occupied placements at the end of March 2024 with a further 6 available placements.

### **QUALITY & CARE STANDARDS**

Aberlour currently has 31 registered services:

- 17 Care Homes
- 5 Support Service (Care at Home)
- 4 Support Service (Not Care at Home)
- 2 Day Care Service
- 2 Fostering (including one Adult Placement)
- 1 Housing Support (combined registration with Support Service - Care at Home)

22 of our services are categorised as 'Low risk' by the care inspectorate. The other 9 are categorised as medium risk. None are currently considered high risk.

During the period 1st April 2023–31st March 2024, 20 services were inspected, and reports published. Thirteen (65%) inspections received average grades of 5 (very good) with the remaining 7 (35%) receiving average grade of 4 (good).

No requirements were made for any of the inspections.

Most of our residential care homes (8/9) achieved average grades of 5 (Very Good).

Fostering and all support services received grades of 4 (Good).

Aberlour currently have 46 services, service groups, or sites that require a Health and Safety Inspection. Over the reporting period, 36 of these received an inspection.

Fire Risk Assessments continue to be carried out by an external provider. Twenty-seven of the 31 sites requiring an FRA were completed this year.

For both inspection types, dates have been arranged for the outstanding venues.

### **REMUNERATION POLICY**

Aberlour pays no less than the Scottish Living Wage to staff and is committed to maintaining this policy, proudly holding membership of the Living Wage Foundation. Any changes to remuneration, other than cost

## **Directors' (Trustees') Report (including Strategic Report) (continued)**

of living arrangements, are assessed, and justified using the job evaluation scheme and the associated pay scales.

There is a job evaluation scheme against which all jobs are evaluated across the organisation, including promoted posts.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Directors’ (Trustees’) Report (including Strategic Report) (continued)**

A pay award is proposed by SLT and considered by the Board of Trustees on an annual basis. Decisions are made after consideration of affordability, sustainability and competitiveness within third sector employment trends. We aim to make an annual cost of living increase to all staff.

**FINANCIAL REVIEW OF 2023/24**

Income from charitable activities for the year was £26,679k compared to £25,169k in 2022/23. Voluntary income, including donations, legacies and other income for the year was £1,998k compared with £2,311k for the previous year and efforts will continue to grow this income stream to maximise the services provided.

Total expenditure for the year was £29,730k compared with £37,308 in 2022/23 (which included £9,254 expenditure in relation to the exit of our defined benefit pension). The charity recorded an ‘operating’ surplus of £514k (2022/23 – deficit £10,911k) as reflected in the Statement of Financial Activities (after adjusting for the pension fund expenditure movement in the prior year).

The level of Unrestricted Reserves has increased from £17,206k to £17,612k.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees regularly assess the strategic risks facing the Trust in detail at the Improvement, Audit & Risk Committee, and make recommendations to the Board on any formal changes to the risk register. Particular focus is given to those related to the financing, operations and reputation of the Trust.

During the year, an exercise was undertaken by management to review Aberlour’s risk management policy and procedures, with particular focus on identifying strategic risks and enhancing the risk awareness, reporting and recording of risk mitigations at senior and management levels.

A new risk management policy was approved in March 2024, with work underway to roll-out and develop risk management awareness and training throughout the year. This will lead to better organisational awareness of Risk Management and the process which informs the strategic risk register mentioned above.

The Trustees are satisfied that systems are in place to mitigate their exposure to strategic risks. A comprehensive strategic risk register is formally maintained to ensure the key risks are identified and the mitigation measures are effective. An exercise to expand on and enhance this risk Register with the new policy was completed in June 2024, however risks covered there are broadly similar to those faced by Aberlour at the end of March 2024.

The most recent review identified the most significant risks to be of the following type:

No	Risk Category	Risk Description	Risk Mitigations
1.	Reputational / Credibility	Failure to maintain and evidence a high quality of service provision	1. Independent service audits conducted by Care Inspectorate. 2. Internal Quality and Improvement Team in post, with clear remit and accountability for maintaining and improving service standards. 3. Staff development programme to ensure a consistent and high-quality delivery of service across Aberlour. 4. Internal service quality audits conducted annually across services. 5. Ongoing investment in staff use and development of Aberlour case and service management system and data capture.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

			<p>6. Organisational management structure developed with consistent focus on quality-of-service delivery.</p> <p>7. Service learning and actions plans developed as necessary.</p>
2.	Reputational / Credibility and Financial	Historic Abuse Claims out with redress scheme timeframe	<p>1. Aberlour continues to demonstrate a willingness to full disclosure and providing requested information. Openness in our approach to claims made and how we respond to them.</p> <p>2. Fully participate and provide evidence requested supporting individual cases brought to Aberlour directly or through third parties.</p> <p>3. Enquiry process in place for individuals or groups that want to lodge a complaint.</p> <p>4. Aberlour has conducted a detailed review of relevant insurance policies in place during possible periods of relevance, there is comprehensive insurance cover in place.</p> <p>5. Engage with abuse claim groups and demonstrate a willingness to listen to support claimants.</p> <p>6. If necessary through appointed legal or insurance representatives attempt to agree any necessary fair and early settlements.</p> <p>7. Annual budget settlements to take account of potential level of investment in legal advice and any welfare initiatives that may be necessary to support claimants.</p>
3.	People	Failure to safeguard children, young people and families while in Aberlour's care	<p>1. Robust and up to date child protection policies and procedures are in use and understood.</p> <p>2. Rigorous and repeated staff development on safeguarding and child protection is undertaken annually.</p> <p>3. On-Call safeguarding support is in place across Aberlour service delivery where required.</p> <p>4. CMS developed to better record and capture monitoring outcomes for safeguarding referrals.</p> <p>5. Safeguarding leadership events take place annually.</p> <p>6. Aberlour safeguarding oversight group established and meeting quarterly.</p>
4.	Financial	Risk that Aberlour experience a significant reduction in income, reserves and growth opportunities due to public sector funding uncertainty and constraints.	<p>1. Diversity of income streams and services from a variety of local authorities and government.</p> <p>2. Long term commitments from clients covering bids won, long-term contracts, up to five years across a variety of clients.</p> <p>3. Exit costs from current LA funded services impact reduced because of TUPE rights for example.</p> <p>4. Continue to secure alternative income and business flows taking advantage of new business opportunities using Aberlour infrastructure and investments.</p>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

			<p>5. Diligently manage opportunities for income uplifts for services.</p> <p>6. Keeping under review utilisation of reserves policy and use of Aberlour resources.</p> <p>7. Continuing to identify opportunities for cost reduction in annual budget setting.</p>
5.	Operational / Service Delivery	Recruitment and staff turnover leads to an inability to staff services appropriately and safely	<p>1. Approaches to recruitment varied using all possible options available to recruit best candidates.</p> <p>2. Developing a leadership programme to ensure focus on staff opportunities, development and learning programmes.</p> <p>3. Ensuring Aberlour is competitive in its salary and rewards package, annual baselining of sector salary scales and matching to internal staff roles.</p> <p>4. Creating a positive culture of support and opportunities for staff within Aberlour, and where concerns arise we take them seriously (Whistleblowing policy in place).</p> <p>5. Conducting annual all-staff surveys to measure staff concern areas and opportunities to address concerns.</p> <p>6. Review of our pension offering to staff, through use of brokers to ensure best value is being achieved.</p>
6.	Information / Data	IT Security measures are insufficient to prevent a successful cyber- attack on Aberlour which results in loss of data which cannot be recovered and/or ransomware extortion.	<p>1. Aberlour case and marked sensitive data is stored in the Microsoft cloud, this data is protected via robust Microsoft monitored services for cyber security.</p> <p>2. Aberlour is accredited annually with Cyber Essentials Plus certification. We have also conducted an initial Centre for Internet Security (CIS) audit, this has listed areas for improvement and action plans are being developed to improve.</p> <p>3. Annual Penetration testing of Aberlour digital infrastructure ensures that Aberlour's vulnerability to common cyber threats is better understood.</p> <p>4. Digital Disaster recovery procedures are in place and Aberlour's business continuity plans reviewed annually gives assurance that Aberlour is capable of recovering from a cyber-security attack.</p> <p>5. All staff are subject to ongoing awareness training in terms of recognising attempted cyber threats to Aberlour accounts and acting appropriately.</p>
7.	Information / Data	Mismanagement of sensitive, personal data of the individuals we support, leads to breaches of responsibilities under GDPR legislation, significant fines and a breakdown of trust.	<p>1. Aberlour has appointed to a managerial post responsibility for all Aberlour Information governance issues and compliance with relevant legislation.</p> <p>2. Aberlour has developed a detailed Information Management policy.</p> <p>3. Aberlour has employed external expertise to advise on current Information Governance management practices and</p>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

			<p>where improvements can be made, this will be repeated periodically.</p> <p>4. Information Governance Officer and Digital team working formally and closely to ensure alignment with Information Governance policy and technical solutions for compliance.</p> <p>5. All staff undertake annual Information Governance mandatory refresher training courses to keep them up to date.</p>
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**FUTURE DEVELOPMENTS**

Our organisational strategy for success, “Being Brave – for Children, Young People & Families”, stated our ambitions as being able to:

- grow our services to support more children and families earlier.
- reach more diverse communities.
- influence policy and practice by elevating the voices of children and families.
- being nimble and encourage change and innovation.
- become the best employer that we can be – somewhere people choose to work and stay.
- ensure our organisation is sustainable financially, socially, and environmentally - and is focussed on children and families.

Our business success measures centre on quality, impact, sustainability, and growth. Service and regional plans feed into our organisational plan so they can be easily monitored from our organisational business plan dashboard.

A continued application of the Shipley approach to competitive tenders emphasises the merits of Aberlour to commissioners. This is felt to be a key factor in our recent successes in tenders across Scotland. Our services ensure that we are able to respond to the demands created through the self-directed support agenda and other spot purchase opportunities.

We continue to market and promote the organisation, and Aberlour’s brand awareness continues to grow with the general public, but this is an area we recognise we need to continue to emphasise and have plans to continue promotional activity through various mediums, with an emphasis on digital and continuing the success of our TV advertising during campaigns. Our reputation within professional networks and academic fields continue to strengthen and we are well respected for our experience, quality, and innovation.

**PENSIONS**

Aberlour ended membership as an admitted-body employer under with North-East Scotland Pension Fund (NESPf) a Local Government Pension Scheme (LGPS) as at 31<sup>st</sup> July 2022, entering into a deferred debt arrangement. In November 2022 Aberlour sought a termination valuation and subsequently exited the pension scheme. There are no further assets or liabilities included in the accounts in relation to the pension scheme and notes in relation to this are included for comparative purposes for the prior year.

Aberlour maintains a Defined Contribution scheme (provided by Scottish Widows) that is available to all employees. The Trustees took the decision to strengthen this as part of our overall pensions review and with our exit from the defined benefit scheme in 2022, this allowed Aberlour to maintain the same overall % paid out in pensions, but to harmonise and equalise treatment of employee pension offering across the organisation. This meant our employer contributions to this type of scheme have increased, as well as enhanced uplifts for those with long service.

Aberlour also provides defined contribution arrangements for employees affected by auto-enrolment through the UK Government-backed NEST scheme.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Directors' (Trustees') Report (including Strategic Report) (continued)**

**FINANCIAL RESERVES**

The major reserve is within the main investment portfolio, largely provided by generations of donors over the years. It is the Board's policy to seek to at least maintain the real value of this fund, so that income will continue to be available to further Aberlour's objectives. Following the reclassification allowed by OSCR in 2021 of what was the "Endowment Fund", the whole of the investment value is included as Unrestricted Reserves, providing more flexibility in furtherance of objectives and priorities.

Restricted funds are held for a specific purpose determined externally by third party funders and cannot be used for alternative purposes. Designated and Unrestricted funds are earmarked by the Board to cover future commitments. A breakdown of funds is provided in Note 22 of the financial statements.

<b>Unrestricted Free Reserves</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b>Total Unrestricted Reserves per SOFA and Balance Sheet</b>	17,612	17,206
	Less:	Less:
Unrestricted Tangible Fixed Assets	6,119	5,813
Designated Reserves	593	790
<b>Total "Free Reserves"</b>	<b>10,900</b>	<b>10,603</b>
This includes the unrestricted investment portfolio, which is accessible to the charity as unrestricted, however is currently utilised to provide a financial return to continue Aberlour's objectives.		
Main Investment Portfolio	9,973	9,209
Unallocated Unrestricted Reserves	927	1,394
<b>Total "Free Reserves"</b>	<b>10,900</b>	<b>10,603</b>

Per the table above, Unrestricted funds of £17,612 (2022/23 - £17,206k) includes our investment main portfolio £9,989k (2022/23 - £9,209k), unrestricted tangible fixed assets of £6,119k (2022/23 - £5,813), designated funds of £593 (2021/22 - £790k) and unallocated reserves remaining free for distribution £927 (2021/22 - £1,349k). Free Reserves (defined as Unrestricted funds less tangible fixed assets and designated reserves) of £10,900 (2022/23 £10,603k) represents approximately 11 months (2022/23 - 11) of unrestricted expenditure.

The Board is cautious about having a figure set as a "target" for Unrestricted Reserves. Aberlour operate in a financially constrained environment, but our financial risks are greatly reduced by having a wide diversity in our funding streams, with multiple contracts with statutory bodies containing different renewal dates. Accordingly, our requirements from unrestricted reserves are threefold:

- provide sufficient liquid resources to meet working capital needs.
- hold resources to provide resilience to cushion against unanticipated events; and,
- retain a reserve to provide a development capacity.

**INVESTMENTS**

Investment policy is reviewed regularly, and performance is assessed biannually by the Investment Committee. The portfolio continues to be managed by Quilter Cheviot Investment Management on a total return basis with the objective of at least maintaining its value in real terms, while meeting our organisational requirement for income to support Aberlour's activities which are not funded from contractual income. Appropriate benchmarks have been adopted to provide an assessment of performance and return.

The value on 31 March 2023 was £9,209k and over the period fluctuated, eventually closing at £9,973k at 31<sup>st</sup> March 2024. A similar scale of movement was noted for the Aberlour Urgent Assistance Fund portfolio (value on 31 March 2023 £1,439k closing at £1,577k at 31<sup>st</sup> March 2024). Movements in investments in total are set out in Note 15. Performance of investments in 2023/24 saw an overall bounce back from the prior year decreases in valuations. We remain confident that the high, resilient investments favoured by Quilter Cheviot will prove to be robust in the longer-term.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Directors’ (Trustees’) Report (including Strategic Report) (continued)**

Income from the main portfolio and interest earned during the year was £259k compared with £232k in 2022/23. The Aberlour Urgent Assistance Fund portfolio generated £43k compared with £40k in 2022/23 which was restricted to be fully applied to the AUAF. The investment managers are clear about the targets set for them and are focussed on their achievement.

Aberlour’s ethical investment policy is a key determinant of investment decisions taken by Quilter Cheviot. The portfolios fully reflect our organisational values and ethical investment policy. Socially responsible investing is a concept at the forefront of investment holdings and a key requirement is that the portfolio must not be invested in shares of companies whose activities exploit children or are clearly detrimental to their well-being. The ethical parameters were reviewed in 2022. Under the policy, share exclusions were expanded and now apply to:

- Irresponsible marketing of alcohol to children.
- Armament sales to oppressive regimes.
- Pornography.
- Tobacco manufacture.
- Human Rights Violations – directly and via supply chains.
- Product Responsibility - when evident that infant nutrition is compromised.
- Pharmaceuticals - product responsibility requirements.
- Environmental excessive damage.
- Thermal coal; and,
- Cannabis as a recreational involvement.

**Emissions and Energy Consumption**

Aberlour has a strong commitment to responsible and sustainable environmental management.

UK energy use in 2023/24

Aberlour’s energy and carbon usage relates to the charitable activity supporting children and families. Our built property environment, including care homes, and travel are the key areas reported.

**2023/24**

<b>Fuel Source</b>	<b>Consumption (kWH)</b>	<b>Proportion</b>
Electricity	454,500	17%
Gas	1,201,594	44%
LPG Oil	150,913	5%
Transport (Hired & “Grey” Fleet) *	920,431	34%
	<b>2,727,438</b>	

**2022/23**

<b>Fuel Source</b>	<b>Consumption (kWH)</b>	<b>Proportion</b>
Electricity	428,456	16%
Gas	1,188,324	45%
LPG Oil	169,372	7%
Transport (Hired & “Grey” Fleet)	856,417	32%
	<b>2,642,569</b>	

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Directors’ (Trustees’) Report (including Strategic Report) (continued)**

► **CARBON PERFORMANCE**

	kWh Energy Consumed YTD				tCO2e Emitted YTD			
	Electricity	Natural Gas	Transport	Total	Scope 1	Scope 2 (LB)	Scope 3	Scope 1+2
2023-2024	454,500	1,201,594	920,431	2,729,394	478	94	-	572
2022-2023	428,456	1,188,324	856,417	2,641,578	465	83	-	548

► **INTENSITY RATIO PERFORMANCE**

	Total tCO2e	Intensity Metric	Intensity Ratio
2023-2024	571.70	29.10	19.65
2022-2023	547.85	28.01	19.56

As can be observed from the tables above we saw an overall increase in consumption in 23/24 to 2.7m kWh (22/23 2.6m kWh), with a total of 572 tCO2e emitted (22/23 548 tCO2e). This equates to a 4% increase in emissions. This reflected the organisation’s increased energy needs as Aberlour continues to grow.

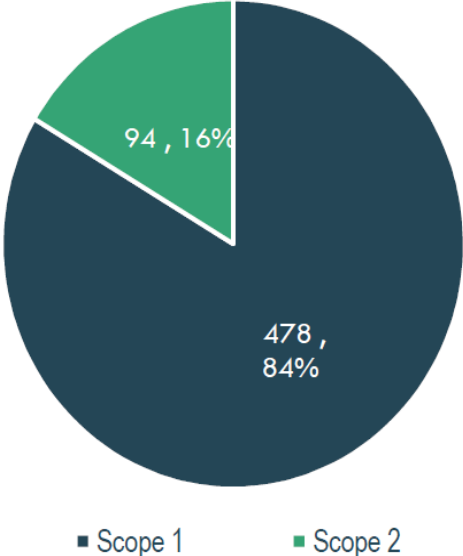
An intensity ratio can be calculated by dividing total emissions by an intensity metric, which in this case we have used total revenue. Intensity ratio for 23/24 is 16.41 (22/23 16.60). Even though emissions have increased by 4%, Aberlour has also increased in annual revenue. This results in an intensity ratio 0.5% higher than in the same period for 22/23.

**SECR Guidance**

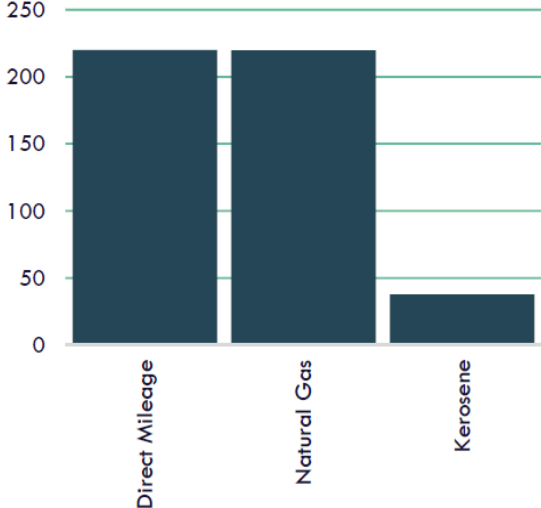
The footprint includes “Scope 1” (e.g. combustion of fuel, fugitive, and process emissions) and “Scope 2” (electricity) emissions associated with the activities for which Aberlour Child Care Trust are responsible. The footprint is calculated in accordance the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines, including streamlined energy and carbon reporting guidance. Activity data has been converted into carbon emissions using published emissions factors. A wide range of publicised carbon emissions factors are publicly available. DEFRA emission factors have been used for all emissions sources as this provides the most comprehensive list of factors available. They allow an activity to be converted into tonnes of carbon dioxide equivalent (tCO2e). Market based factors have been taken from each of Aberlour Child Care Trust’s relevant suppliers.

**Directors' (Trustees') Report (including Strategic Report) (continued)**

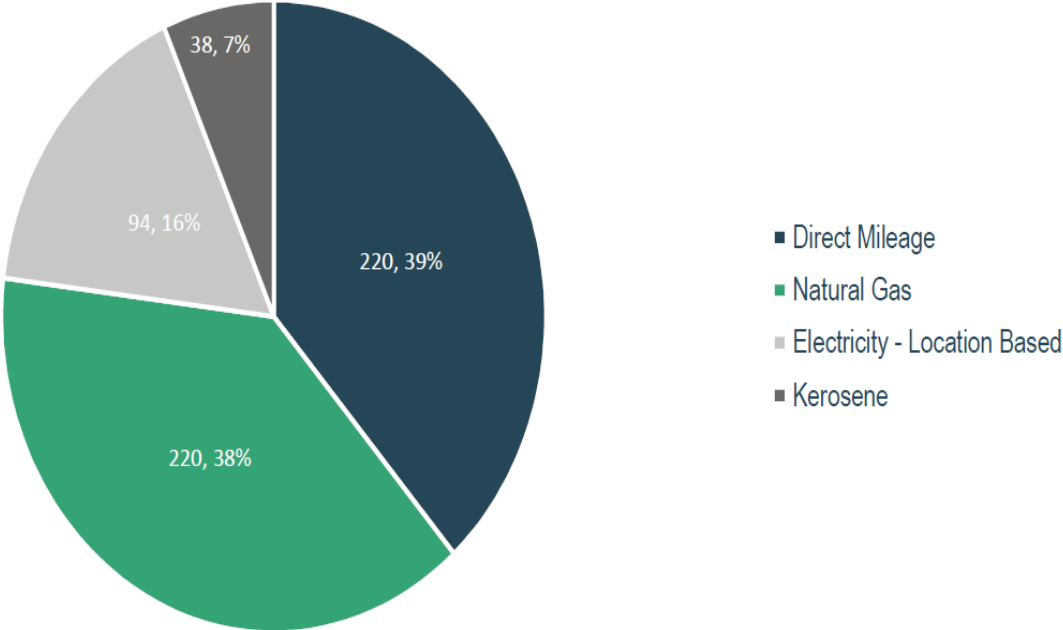
Breakdown of Emissions by Scope  
 (tCO2e - Location Based)



Scope 1 (tCO2e)



Emissions Source (tCO2e)



## **Directors' (Trustees') Report (including Strategic Report) (continued)**

### **Annual Energy Efficiency Statement**

As in previous years, Aberlour continues to maintain its commitment to using 100% green electricity. Four-year contracts with its electricity and gas suppliers are due for renewal in 2025. Aberlour is committed to remaining as green as possible and will look to reduce its environmental impact through new tariffs if appropriate. Aberlour will seek advice from its long-term energy consultants to ensure the best outcomes.

The Energy Savings Opportunity Scheme (ESOS) Phase Three will be completed in August 2024. This involves a thorough audit of energy use across Aberlour properties and a review of the vehicle fleet. The survey will provide Aberlour with valuable insights into its current energy consumption patterns and highlight areas where energy savings can be made. By implementing the recommendations provided, Aberlour anticipate improvements in energy efficiency and a reduction in overall carbon emissions.

Aberlour continues to upgrade its fleet by replacing older, high-polluting, uneconomical vehicles with more modern, energy-efficient models. Aberlour are paying particular attention to upgrading its disability vehicles. Additionally, Aberlour employees who drive Aberlour owned vehicles for work now have access to online driver training. This training is primarily for safety but also includes information on driving more efficiently and economically. By promoting eco-driving practices, Aberlour aim to reduce fuel consumption and lower emissions.

Moving forward, Aberlour remains committed to prioritising and implementing improvements wherever possible.

### **SECTION 172 STATEMENT**

The Trustees of Aberlour are mindful of how they and the wider organisation perform in meeting the responsibilities set out in S172(1) of the Companies Act 2006 in how the organisation meets the needs of stakeholders. Appropriate corporate governance is uppermost in the organisation's behaviours and fundamental to how the Trustees discharge their duties and their stewardship of the organisation. For the last financial year an assessment is as follows:

#### The likely consequences of any decision in the long term

- The Trustees are mindful of the heritage of the organisation and act only in the long-term interests of the charity with the objective of continuing the work of Aberlour into the future. Service-continuity is important to staff, commissioners, donors, policy makers and regulators so they retain faith in the commitment of the organisation to deliver on strategic and operational objectives.
- The Trustees have approved and implemented long-term strategies with objectives to achieve organisational longevity, viability, and sustainability. These strategies are widely consulted on and briefed across the organisation to ensure they are deeply embedded.
- By having a long-term perspective Aberlour is viewed as a trusted strategic partner by all stakeholders.

#### The interests of employees

- Aberlour is a people-centred organisation, towards those that we care for and the staff we entrust to provide that care. Our employees are fundamental to that dynamic and their role is vitally important.
- We are mindful of the importance of staff to the effectiveness of the organisation. Although we undertake benchmarking, have internal quality assurance on our employment arrangements and strive to at least meet employment best practice, we value the external Investors in People and Investors in Diversity accreditation and welcome any feedback from external regulators. We are proud of being a Living Wage employer which demonstrates our embracing of ethical employment practices. There is a wide-ranging network of support available to staff ranging from composite learning and development plans to individual personal development plans. As a celebration of staff achievements, we have an annual one-day conference reflecting on successes, future plans and ambitions and considering current developments in childcare practice. Attendance at the conference is encouraged and by digital means have improved and extended the scope for wider engagement and participation. We consult regularly with current and former staff and are responsive to any matters they feed-back.
- All changes and updates to operations and strategy are subject to senior management consultation with all staff and middle-management groups. We assess and act on any suggestions that have

## **Directors' (Trustees') Report (including Strategic Report) (continued)**

merit and undertake exit interviews with leavers to identify areas we can improve. The findings from leaver interviews formed the basis of a package on improvements to terms and conditions made to all employment contracts with the objective of improving staff recruitment and retention rates.

- The effect of these initiatives has been instrumental to the high regard regulators have for Aberlour.
- Aberlour featured in the Sunday Times Top 100 Best Places to Work for 2024, with an extensive staff survey which took place in the last quarter of 23/24. Aberlour will use the results of this and feedback from staff across the organisation to continue to improve on our working environment.

### Fostering business relationships with suppliers, customers, and others

- It is essential that, as a leading organisation within Scotland's third sector (caring for some of the country's most vulnerable young people and supporting their families), Aberlour operates with a culture of ethical business practice, reflecting the core values of the organisation.
- Suppliers are sought based on price, quality, and expertise, with fair and transparent tender processes undertaken to secure commercial benefits and best value.
- Aberlour actively engages in a range of relevant professional bodies to share organisational experiences and professional standards and practice. The organisation is represented in various forums that demonstrate the high standing of the organisation, from stakeholder consultation processes to formal local authority child protection committees.

### The impact of operations on the community and the environment

- Awareness of other parties' perception of the young people we care for requires the Charity to consider the best approach to developing new services within established communities and this can include community meetings and engagement being undertaken before property purchases are made. Aberlour wants to be perceived positively and without animosity in the communities we work in. We will always hold the best interests of our children as the primary driver for our work.
- The Board approved an Environmental Policy in 2019, and pre-planned maintenance programmes incorporate improvements that can be made, and lifecycle investments required.
- An organisation-wide group focussing on environmental matters was formed to both spread awareness of the importance of environmentally sustainable practice but also to gather suggestions on how we can make further improvements.
- To continue to seek professional advice on areas of environmental impact and proceed with planned building improvements and procurement of vehicles with full consideration of Aberlour's environmental choices in this regard.

### The desirability of maintaining a reputation for high standards of business conduct

- Aberlour has formed business partnerships that have endured over years and continues to seek like-minded organisations to form mutually beneficial synergies. Strategic alliances have important linkages, evidenced by partners wishing to maintain their long-term support and relationship with Aberlour. A wide range of engagement with stakeholders takes place.
- Aberlour actively participated in the Scottish Child Abuse Inquiry, fully taking ownership of the organisation's historic actions, and seeking to help Scotland learn from this period and ultimately create a stronger society.
- We closely engaged with the Scottish Government over Financial Redress arrangements feeding back on proposals, many of which were adopted within the terms of the scheme which went live in December 2021.
- Aberlour is a named contributor to the Financial Redress Scheme, having made a commitment to pay £1.6m by 2030. At the end of March 2024, Aberlour has paid £300k of that balance, with the remaining amount being recognised as current and long-term liabilities in these accounts.

### Acting fairly between members of the organisation

- Corporate governance is an uppermost consideration for Trustees and the Executive Team in all dealings on behalf of or when representing Aberlour. All Board and Committee meetings are conducted in a professional manner consistent with standard business etiquette and chaired in a way that is respectful and inclusive of all participants.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Directors' (Trustees') Report (including Strategic Report) (continued)**

**GOING CONCERN**

The Board of Trustees remains of the opinion that Aberlour can continue to meet its obligations, as they fall due for the foreseeable future. Consequently, these financial statements have been prepared on the Going Concern basis. The Trustees and Executive Team have prepared budgets and forecasts including a Strategic Plan through to 2028/29 which show no concerns with regards to the financial resilience of the organisation.

The current challenging financial environment is anticipated to continue, and this is likely to be exacerbated by turbulent geo-political and economic circumstances. These financial statements continue to demonstrate Aberlour has significant financial resilience, with a strong balance sheet, diversity in the source and duration of funding from public sector organisations and a strong demand for our services from commissioners is anticipated to continue.

In order to corroborate this, the Executive Team has gone through long term budget forecasting through to 2028/29. This used assumptions on service income factoring in aspects of growth already underway and the long-term impacts of this on overall Aberlour income. The assessments included an element of income attrition, making forecasts more realistic, allowing for some income loss in certain areas.

While uncertainty exists, this is not to the extent that it casts any doubt on the ability of Aberlour to continue operating, even in the worst-case scenario. Even under a pessimistic long term budgeting scenario, it is appropriate for these accounts to be prepared on a going concern basis.

**TRUSTEES' RESPONSIBILITIES**

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

Charity law and company law requires the Trustees 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 and company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are 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 Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Directors' (Trustees') Report (including Strategic Report) (continued)**

**DISCLOSURE OF INFORMATION TO AUDITOR**

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- a) So far as the Trustee is aware, there is no relevant information of which the charitable company's auditor is unaware; and
- b) He/she has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**APPOINTMENT OF AUDITOR**

Each year we are required by our rules and by law to appoint the Charity's auditor. We have concluded an audit tender process, which our current auditor, BDO LLP, already intimated they could not apply for given time limitations on their responsible individual continuing as our auditor. Therefore, following the audit tender process a resolution will be put forward to propose RSM at the Annual General Meeting as our auditors for the next set of financial statements ending 31<sup>st</sup> March 2025.

**APPROVAL**

In approving the Directors' (Trustees') Report, the Trustees are also approving the Strategic Report in their capacity as Company Directors. The report was approved by the Trustees on 30<sup>th</sup> September 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'David Robb', is written over a light grey rectangular background.

**David Robb**  
**Chair**

# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2024**

#### **Opinion on the financial statements**

- In our opinion the financial statements:
- give a true and fair view of the state of the Charitable Company'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 Companies Act 2006, 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 Aberlour Child Care Trust ("the Charitable Company") for the year ended 31 March 2024 which comprise Statement of Financial Activities, 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 are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, 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.

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

#### **Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2024 (continued)**

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

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report which includes the Directors' Report, and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

#### **Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2024 (continued)**

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<sup>1</sup>*

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 Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations; and

we considered the significant laws and regulations to be the applicable accounting framework (UK GAAP and the Charities SORP) and the Companies Act.

The Charitable Company 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.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities (including OSCR) for any instances 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 solicitor.

#### *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;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

## **Aberlour Child Care Trust**

### **For the year ended 31 March 2024**

#### **Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2024 (continued)**

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, existence of service income, existence of grant income and the classification of restricted funds.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation;
- Testing a sample of service income to contract, invoice and to evidence that work was completed (e.g. approval of the individual for care and evidence that costs were incurred to provide the care);
- Testing a sample of grant and service income to supporting documentation which was reviewed for evidence of restrictions. Where restrictions were identified, testing included verifying that the funds had been classified appropriately as restricted or unrestricted.

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

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

A further description of our responsibilities is available on the Financial Reporting Council'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 Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
*Martin Gill*  
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Martin Gill (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Edinburgh, UK  
09 October 2024

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

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**2024 Statement of Financial Activities (incorporating income & expenditure account)**

	<i>Note</i>	Unrestricted funds £000	Restricted funds £000	Pension fund £000	Total 2024 £000	Total 2023 £000
<b>Income:</b>						
Charitable activities	3	11,289	15,390	-	26,679	25,169
Donations and legacies	4	733	1,265	-	1,998	2,311
Income from other trading activities	5	-	32	-	32	31
Investment income	6	333	43	-	376	290
Other income	7	23	20	-	43	6
		<b>12,378</b>	<b>16,750</b>	<b>-</b>	<b>29,128</b>	<b>27,807</b>
<b>Expenditure on:</b>						
Charitable activities	8	10,866	18,045	-	28,911	27,361
Raising funds	9	813	6	-	819	693
Pension settlement	22	-	-	-	-	9,254
		<b>11,679</b>	<b>18,051</b>	<b>-</b>	<b>29,730</b>	<b>37,308</b>
<b>Net income/(expenditure) before gains and transfers</b>		<b>699</b>	<b>(1,301)</b>	<b>-</b>	<b>(602)</b>	<b>(9,501)</b>
Realised gains on investments		35	4	-	39	33
Unrealised (losses)/gains on investments	14	966	111	-	1,077	(1,443)
Net income/(expenditure) after gains before transfers		<b>1,700</b>	<b>115</b>	<b>-</b>	<b>514</b>	<b>(10,911)</b>
Transfers between funds	10	(1,294)	1,294	-	-	-
Net income/(expenditure) before other recognised gains and losses		<b>406</b>	<b>108</b>	<b>-</b>	<b>514</b>	<b>(10,911)</b>
<b>Other recognised gains and (losses):</b>						
Actuarial gains/(losses) on defined benefit pension scheme	24	-	-	-	-	10,788
Net movement in funds		<b>406</b>	<b>108</b>	<b>-</b>	<b>514</b>	<b>(123)</b>
Funds brought forward		<b>17,206</b>	<b>4,524</b>	<b>-</b>	<b>21,730</b>	<b>21,853</b>
Funds carried forward	20,21	<b>17,612</b>	<b>4,632</b>	<b>-</b>	<b>22,244</b>	<b>21,730</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**2023 Statement of Financial Activities (incorporating income & expenditure account)**

	Note	Unrestricted funds £000	Restricted funds £000	Pension fund £000	Total 2023 £000	Total 2022 £000
<b>Income:</b>						
Charitable activities	3	12,010	13,159	-	25,169	21,150
Donations and legacies	4	594	1,717	-	2,311	1,768
Income from other trading activities	5	-	31	-	31	15
Investment income	6	250	40	-	290	319
Other income	7	6	-	-	6	2
		<b>12,860</b>	<b>14,947</b>	<b>-</b>	<b>27,807</b>	<b>23,254</b>
<b>Expenditure on:</b>						
Charitable activities	8	11,709	15,360	292	27,361	24,728
Raising funds	9	686	7	-	693	752
Pension settlement	22	-	-	9,254	9,254	-
		<b>12,395</b>	<b>15,367</b>	<b>9,546</b>	<b>37,308</b>	<b>25,480</b>
<b>Net income/(expenditure) before gains and transfers</b>		<b>465</b>	<b>(420)</b>	<b>(9,546)</b>	<b>(9,501)</b>	<b>(2,226)</b>
Realised gains on investments		55	(22)	-	33	61
Unrealised (losses)/gains on investments	14	(1,250)	(193)	-	(1,443)	121
Net income/(expenditure) after gains before transfers		<b>(730)</b>	<b>(635)</b>	<b>(9,546)</b>	<b>(10,911)</b>	<b>(2,044)</b>
Transfers between funds	10	(1,330)	1,330	-	-	-
Net income/(expenditure) before other recognised gains and losses		<b>(2,060)</b>	<b>695</b>	<b>(9,546)</b>	<b>(10,911)</b>	<b>(2,044)</b>
<b>Other recognised gains and (losses):</b>						
Loss on revaluation of fixed assets		-	-	-	-	(233)
Actuarial gains/(losses) on defined benefit pension scheme	24	-	-	10,788	10,788	2,349
Net movement in funds		<b>(2,060)</b>	<b>695</b>	<b>1,242</b>	<b>(123)</b>	<b>72</b>
Funds brought forward		<b>19,266</b>	<b>3,829</b>	<b>(1,242)</b>	<b>21,853</b>	<b>21,781</b>
Funds carried forward	20,21	<b>17,206</b>	<b>4,524</b>	<b>-</b>	<b>21,730</b>	<b>21,853</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Balance Sheet**  
**As at 31 March 2024**

	<i>Note</i>	<b>2024</b>	2023
		<b>£000</b>	£000
<b>Fixed assets</b>			
Tangible assets	13	<b>6,913</b>	6,504
Investments	14	<b>11,550</b>	10,648
		<u><b>18,463</b></u>	<u>17,152</u>
<b>Current assets</b>			
Debtors	15	<b>2,918</b>	2,709
Cash at bank and in hand		<b>3,523</b>	5,163
Short term investments		<b>542</b>	-
		<u><b>6,983</b></u>	<u>7,872</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	16	<b>(1,882)</b>	(1,839)
<b>Net current assets</b>		<u><b>5,101</b></u>	<u>6,033</u>
<b>Total assets less current liabilities</b>			
		<b>23,564</b>	23,185
Creditors: amounts falling due after one year	16	<b>(1,115)</b>	(1,300)
Provisions for liabilities and charges	17	<b>(205)</b>	(155)
<b>Net assets, excluding pension liability</b>		<u><b>22,244</b></u>	<u>21,730</u>
<b>Pension scheme liability</b>	22	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u><b>22,244</b></u>	<u>21,730</u>
<b>Charity funds</b>			
Restricted income funds	21	<b>4,632</b>	4,524
Unrestricted funds	21	<b>17,612</b>	17,206
Pension reserve	21	<b>-</b>	-
<b>Total charity funds</b>	20,21	<u><b>22,244</b></u>	<u>21,730</u>

The financial statements were approved and authorised for issue by the Directors on 30 September 2024



David Robb  
Chair

Company Registration Number: SC312912

The notes on pages 31 to 50 form part of these financial statements

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Cash Flow Statement**

**Reconciliation of net income/expenditure to net cash flow from operating activities**

	<b>2024</b>	2023
	<b>£000</b>	£000
Net (expenditure)/income as per SOFA	<b>514</b>	(10,911)
<b>Adjustments for:</b>		
(Gains)/losses on investments	<b>(1,116)</b>	1,410
Profit on sale of fixed assets	<b>(55)</b>	-
Adjustment to pension costs	-	9,546
Depreciation charges	<b>165</b>	139
(Increase)/decrease in debtors	<b>(209)</b>	364
Increase/ (decrease) in creditors	<b>(142)</b>	160
Interest and dividends	<b>(376)</b>	(290)
Increase of provisions	<b>50</b>	-
<b>Net cash from/ (used by) operating activities</b>	<b>(1,169)</b>	418
<b>Cash flows from investing activities</b>		
Dividends from investments	<b>376</b>	290
Purchase of tangible fixed assets	<b>(824)</b>	(328)
Proceeds of sale of tangible fixed assets	<b>305</b>	-
Purchase of investments	<b>(1,524)</b>	(3,693)
Proceeds of sale of investments	<b>2,544</b>	3,439
Purchase of short-term investments	<b>(542)</b>	-
<b>Net cash from/ (used by) investing activities</b>	<b>335</b>	(292)
Change in cash and cash equivalents	<b>(834)</b>	126
Cash and cash equivalents at the beginning of the reporting period	<b>5,225</b>	5,099
Cash and cash equivalents at the end of the reporting period	<b>4,391</b>	5,225
<b>Analysis of cash and cash equivalents (note 25)</b>		
Cash at bank and in hand	<b>3,523</b>	5,163
Deposits – investments (note 15)	<b>868</b>	62
	<b>4,391</b>	5,225
<b>Reconciliation to cash per balance sheet</b>		
Cash at bank and in hand	<b>3,523</b>	5,163
<b>Cash per balance sheet</b>	<b>3,523</b>	5,163

# **Aberlour Child Care Trust**

## **For the year ended 31 March 2024**

### **Notes to the Financial Statements**

#### **1 General information**

Aberlour Child Care Trust is a private company limited by guarantee, incorporated in Scotland, UK. The charity's registered office, company number and charity number are disclosed on page 1 to these financial statements. The principal activity of the charity is the provision of childcare services in Scotland.

#### **2 Accounting policies**

##### ***Basis of preparation***

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Functional currency is sterling and level of rounding is to nearest £'000.

Aberlour Child Care Trust meets the definition of a public benefit entity under FRS 102.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the charities accounting policies, as shown in note 3 below.

##### ***Going Concern***

The Board of Trustees remains of the opinion that Aberlour can continue to meet its obligations, as they fall due for the foreseeable future. Consequently, these financial statements have been prepared on the going concern basis. The Trustees and Executive Team have prepared budgets and forecasts including a Strategic Plan through to 2028/29 which show no concerns with regards to the financial resilience of the organisation.

The current challenging financial environment is anticipated to continue, and this is likely to be exacerbated by turbulent geo-political and economic circumstances. These financial statements continue to demonstrate Aberlour has significant financial resilience, with a strong balance sheet, diversity in the source and duration of funding from public sector organisations and a strong demand for our services from commissioners is anticipated to continue.

In order to corroborate this, the Executive Team has gone through long term budget forecasting through to 2028/29. This used assumptions on service income factoring in aspects of growth already underway and the long-term impacts of this on overall Aberlour income. The assessments included an element of income attrition, making forecasts more realistic, allowing for some income loss in certain areas.

While uncertainty exists, this is not to the extent that it casts any doubt on the ability of Aberlour to continue operating, even in the worst-case scenario. Even under a pessimistic long term budgeting scenario, it is appropriate for these accounts to be prepared on a going concern basis.

##### ***Investments***

Investments are carried at bid market value. Gains and losses on revaluation and disposal are recognised in the year in which they arise.

Revalued gains and losses are recognised in other recognised gains or losses unless the losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case excess losses are recognised in the statement of financial activities.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**2 Accounting policies (continued)**

***Tangible fixed assets***

Tangible fixed assets are included at cost and are depreciated by equal annual instalments over their estimated useful lives, which are:

Land & buildings	50 years
Fixtures and fittings	4 years
Vehicles	4 years
Computer equipment	1 - 4 years

The value for capitalisation of assets is £1,000. Land is not depreciated.

***Revaluation of land and buildings***

Land and buildings are carried at fair value, as determined by an independent registered valuer, less accumulated depreciation and any impairment losses recognised after the date of any revaluation. Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the statement of financial activities, in which case the increase is credited to the statement of financial activities to the extent of the decrease previously charged. A decrease in the carrying amount arising on revaluation of such land and buildings is charged to the statement of financial activities to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

***Debtors***

Short term debtors are measured at transaction price, less any impairment.

***Cash and cash equivalents***

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

***Short term investments***

Short term investments comprise cash in high interest yielding accounts where funds can only be accessed after three months without incurring any penalties.

***Operating leases***

The cost of operating leases is charged to the statement of financial activities on a straight-line basis over the lease term.

Rentals received under operating leases are recorded within income in the year to which it relates.

***Income***

***Service income***

Service income which is generated through the provision of services is recognised through the statement of financial activities in the period in which the service is performed.

***Donations and legacies***

This income is recognised through the statement of financial activities in the period which they are measurable and there is entitlement and probability of receipt.

In certain circumstances income is deferred where funds are conditional on performance standards. Under these circumstances, the income is deferred provided the conditions of the funds allow the extension.

***Investment income***

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

Investment income is accounted for in the period in which the dividend is declared.

***Expenditure***

Expenditure is recognised when a legal or constructive obligation arises. Expenditure is allocated to the activity to which it relates, directly or apportioned on the basis of ratios of activity.

- Charitable expenditure comprises those costs incurred by the charity on its activities and services.
- Cost of generating funds includes financing costs and fundraising costs.
- Governance costs are those costs which are directly attributable to the governance arrangements of the charity and its strategic management.
- Support costs consist of indirect costs to the charity. These include finance, human resources, IT and operational costs. Support costs are apportioned over the charitable activities based on the percentage cost of activities undertaken directly.

***Funds***

Restricted funds have been received for specific purposes and may be repayable if underspent.

The Pension Reserve is the company's projected pension asset or unfunded pension liability calculated in accordance with FRS 102, section 28. See below and note 23.

***VAT***

The company is not registered for VAT and accordingly costs are stated inclusive of applicable VAT.

***Creditors***

Short term creditors are measured at the transaction price.

***Taxation***

The company is recognised as a charity by HM Revenue & Customs and is exempt from Corporation Tax. No provision for taxation has been made in the accounts.

***Financial instruments***

Under FRS 102 financial assets and liabilities are given the technical term "financial instruments", and the directors are required to indicate how these are recognised and measured in the financial statements. All financial instruments held by the company are considered basic and as such are treated in line with well-established accounting convention. An analysis is given in note 19.

***Pension costs***

Until 30 November 2022, the company participated in the Local Government Pension Scheme under arrangements with the North-East Scotland Pension Fund (previously named the Aberdeen City Council Pension Fund). The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary.

In accordance with FRS 102, section 28, the operating and finance costs of pension and post-retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Financial Activities as is the difference between the actual and expected return on assets, including changes in actuarial assumptions. Service costs are systematically spread over the service lives of employees. Financing costs are recognised in the period in which they arise.

The company also operates two defined contribution pension schemes, one operated by Scottish Widows and one being an auto-enrolment scheme operated by NEST. Contributions payable to the Schemes are charged to the Statement of Financial Activities in accordance with FRS 102, section 28.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**2 Accounting policies (continued)**

***Donated goods and services***

Donated goods and services are recorded in the financial statements at market value on the date of donation, where the value of the donation exceeds £500.

***Termination benefits***

Termination benefits are recognised through the statement of financial activities in the period in which they relate to. Where there is a constructive obligation at the year end, the expected costs are provided for.

***Holiday pay accrual***

Aberlour Child Care trust is required to recognise a liability for unpaid holiday pay, per FRS 102. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**2 Judgements and estimates**

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

- Tangible fixed assets are depreciated over a period intended to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Tangible fixed assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired.
- Provisions for dilapidations are generated to reflect the expected costs of dilapidation expenses following the cessation of the lease period. The provisions for dilapidations are reviewed annually, taking into account historical dilapidations incurred, further work completed on leased sites and physical condition of the properties.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**3 Income from charitable activities**

**2024**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Local authority and government funding	10,839	15,387	26,226	24,783
Receipts from service users	450	3	453	386
	<b>11,289</b>	<b>15,390</b>	<b>26,679</b>	<b>25,169</b>

**2023**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Local authority and government funding	11,634	13,149	24,783	20,699
Receipts from service users	376	10	386	451
	<b>12,010</b>	<b>13,159</b>	<b>25,169</b>	<b>21,150</b>

Included in Local Authority and Government Income is income from the Scottish Government comprising £2,597k (2023- £948k) including: £80k (2023 – £80k) for Perinatal and Infant Mental Health Service in Forth Valley; £51k (2023 - £57k) for Volunteering Service; £101k (2023 - £67k) for our Communities 2Gether Service through Cashback for Communities; £1,023k (2023 - £425k) in relation to Mother & Child recovery houses project; £1,341k (2023 - £175k) for Scottish Guardianship service; £nil (2023 - £110k to Support Local Authorities across Scotland in helping Ukraine Families); £nil (2023 - £8k for our Perinatal Neonatal Intensive care service in Lothians); £nil (2023 - £25k from The Promise Partnership through Corra Foundation)

**4 Donations and legacies**

**2024**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Big Lottery Fund	-	50	50	190
Donations	606	1,215	1,821	2,105
Legacies	127	-	127	16
	<b>733</b>	<b>1,265</b>	<b>1,998</b>	<b>2,311</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**4 Donations and legacies (continued)**

**2023**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Big Lottery Fund	-	190	<b>190</b>	360
Donations	578	1,527	<b>2,105</b>	1,396
Legacies	16	-	<b>16</b>	12
	<b>594</b>	<b>1,717</b>	<b>2,311</b>	<b>1,768</b>

Big Lottery Fund income comprised £50k (2023 - £25k) for our Perinatal Service in East Lothian; £nil (2023 - £129k) for Digital Transformation; £nil for Sustain North Ayrshire (2023 - £36k);

Included in Donations are grants from charitable trusts and foundations, in particular the William Grant Foundation, Charles Gordon Foundation, and Cattenach Trust all of which made Grants to Aberlour in relation to our Perinatal work in Forth Valley and the Lothians.

**5 Income from other trading activities**

**2024**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Events and sponsorship	-	-	-	-	-
Rental of surplus property	-	<b>32</b>	-	<b>32</b>	31
	<b>0</b>	<b>32</b>	-	<b>32</b>	<b>31</b>

**2023**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Events and sponsorship	-	-	-	-	-
Rental of surplus property	-	<b>31</b>	-	<b>31</b>	15
	<b>0</b>	<b>31</b>	-	<b>31</b>	<b>15</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**6 Investment income**

**2024**

	<b>Government stocks</b>	<b>Equities &amp; other</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
United Kingdom	<b>31</b>	<b>254</b>	<b>285</b>	238
Overseas	<b>-</b>	<b>91</b>	<b>91</b>	52
	<b>31</b>	<b>345</b>	<b>376</b>	290

**2023**

	<b>Government stocks</b>	<b>Equities &amp; other</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
United Kingdom	<b>18</b>	<b>220</b>	<b>238</b>	208
Overseas	<b>-</b>	<b>52</b>	<b>52</b>	111
	<b>18</b>	<b>272</b>	<b>290</b>	319

**7 Other income**

**2024**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other	<b>23</b>	<b>20</b>	<b>-</b>	<b>43</b>	6
	<b>23</b>	<b>20</b>	<b>-</b>	<b>43</b>	6

**2023**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	2
	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	2

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**8 Expenditure on charitable activities**

**2024**

	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children and families affected by disability	<b>8,521</b>	<b>434</b>	<b>8,955</b>	9,199
Children and families affected by drugs and alcohol	<b>6,489</b>	<b>331</b>	<b>6,820</b>	6,542
Early years	<b>4,743</b>	<b>242</b>	<b>4,985</b>	3,866
Early intervention and prevention	<b>7,808</b>	<b>398</b>	<b>8,206</b>	6,865
Surplus on sale of fixed assets	<b>(55)</b>	-	<b>(55)</b>	(3)
Defined benefit pension costs (note 24)	-	-	-	292
Redress Scheme Costs	-	-	-	600
	<b>27,506</b>	<b>1,405</b>	<b>28,911</b>	27,361

**2023**

	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children and families affected by disability	<b>8,783</b>	<b>416</b>	<b>9,199</b>	7,846
Children and families affected by drugs and alcohol	<b>6,246</b>	<b>296</b>	<b>6,542</b>	205
Early years	<b>3,691</b>	<b>175</b>	<b>3,866</b>	2,017
Early intervention and prevention	<b>6,555</b>	<b>310</b>	<b>6,865</b>	13,093
Surplus on sale of fixed assets	<b>(3)</b>	-	<b>(3)</b>	-
Defined benefit pension costs (note 25)	<b>292</b>	-	<b>292</b>	667
Redress Scheme Costs	<b>600</b>	-	<b>600</b>	900
	<b>26,614</b>	<b>1,197</b>	<b>27,361</b>	24,728

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**8 Expenditure on charitable activities (continued)**

The support costs can be analysed as follows:

**2024**

	Children and families affected by disability	Children and families affected by drugs and alcohol	Early Years	Early Intervention	Total 2024	Total 2023
Support costs	£000	£000	£000	£000	£000	£000
Operations, management & support	174	132	97	159	562	478
People & quality	116	88	65	106	375	320
Finance, IT & resources	87	66	48	80	281	239
Governance costs	58	44	32	53	187	158
	<b>434</b>	<b>331</b>	<b>242</b>	<b>398</b>	<b>1,405</b>	<b>1,197</b>

**2023**

	Children and families affected by disability	Children and families affected by drugs and alcohol	Early Years	Early Intervention	Total 2023	Total 2022
Support costs	£000	£000	£000	£000	£000	£000
Operations, management & support	166	118	70	124	478	373
People & quality	111	79	47	83	320	249
Finance, IT & resources	83	59	35	62	239	187
Governance costs	56	40	23	41	158	124
	<b>416</b>	<b>296</b>	<b>175</b>	<b>310</b>	<b>1,197</b>	<b>933</b>

The basis of allocation for support costs is based upon the expenditure of each category of charitable activity as a percentage of the total expenditure on charitable activities.

Governance costs include the Chief Executive's remuneration, the costs of our corporate support function, the cost of our policy development department (who liaises with national Government on policy related issues concerning children & families), and the running costs of Board Committee meetings and directors travel expenses.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**9 Expenditure on raising funds**

	<b>Total 2024 £000</b>	Total 2023 £000
Donations and legacies	316	247
Fundraising events and sponsorship	458	404
Investment manager's fees	45	41
	<u>819</u>	<u>693</u>

**10 Transfers between funds**

<b>2024</b>	<b>Unrestricted &amp; Designated Funds £000</b>	<b>Restricted Funds £000</b>
Transfers to restricted funds (see note 21)	<u>(1,294)</u>	<u>1,294</u>
	<u>(1,294)</u>	<u>1,294</u>

**2023**

	Unrestricted & Designated Funds £000	Restricted Funds £000
Transfers from unrestricted funds	<u>(1,330)</u>	<u>1,330</u>
	<u>(1,330)</u>	<u>1,330</u>

Transfers from unrestricted funds to restricted funds were as a result of deficits in restricted funds which were met by unrestricted funds.

**11 Staff costs**

	<b>Total 2024 £000</b>	Total 2023 £000
Salaries	18,732	18,337
Social security costs	1,629	1,466
Employer's pension costs	1,252	1,049
Pension scheme net debit recognised (Note 24)	-	9,546
Redundancy, settlement and ex-gratia payments	31	4
	<u>21,644</u>	<u>30,402</u>

No Director received remuneration in the current or the prior year.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**11 Staff costs (continued)**

Included in salaries are redundancy payments of £nil (2023: £nil). There were no settlement payments made during this period £nil (2023: £nil).

No director was reimbursed for travel costs during the year £nil (2023: £nil).

	<b>2024</b>	2023
Number of employees who received remuneration exceeding £60,000:		
Between £60,000 and £70,000	<b>8</b>	9
Between £70,001 and £80,000	<b>4</b>	1
Between £80,001 and £90,000	<b>0</b>	0
Between £90,001 and £100,000	<b>1</b>	1

None of the Executive Board members received any remuneration for their services as members of the Board.

The Senior Leadership Team is regarded by the Directors as being “Key Management” as defined by FRS 102. The Senior Leadership Team holds the decision-making responsibility covering the whole organisation and for the year ended 31 March 2024 comprised 8 members of staff (2023: 8). The total remuneration of the Senior Leadership Team for the period was £629K (2023: £639K). The terms and conditions relating to this group of employees is consistent to the wider workforce.

	<b>2024</b>	2023
<b>Average number of FTE employees during the year</b>	<b>Number</b>	Number
Operational	<b>337</b>	319
Administrative & support	<b>80</b>	80
Management	<b>103</b>	99
	<b>520</b>	498

	<b>2024</b>	2023
<b>Average number employees during the year</b>	<b>Number</b>	Number
Operational	<b>392</b>	400
Administrative & support	<b>104</b>	107
Management	<b>109</b>	104
	<b>605</b>	611

**12 Audit and accountancy fees**

	<b>2024</b>	2023
	<b>£000</b>	£000
Audit services	<b>25</b>	24
	<b>25</b>	24

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**13 Tangible fixed assets**

**2024**

	Land and buildings £000	Fixtures and fittings £000	Vehicles £000	Computer equipment £000	Total £000
<b>Cost / valuation</b>					
Balance at 1 April 2023	7,476	11	435	6	7,928
Additions	701	1	122	-	824
Disposals	(250)	-	(213)	-	(463)
<b>Balance at 31 March 2024</b>	<b>7,927</b>	<b>12</b>	<b>344</b>	<b>5</b>	<b>8,289</b>
<b>Depreciation</b>					
Balance at 1 April 2023	1,008	8	402	6	1,424
Charge in year	112	3	50	-	165
Disposals	(3)	-	(210)	-	(213)
<b>Balance at 31 March 2024</b>	<b>1,117</b>	<b>11</b>	<b>242</b>	<b>6</b>	<b>1,376</b>
<b>Net book value:</b>					
31 March 2023	6,468	3	33	-	6,504
<b>31 March 2024</b>	<b>6,810</b>	<b>1</b>	<b>102</b>	<b>-</b>	<b>6,913</b>

Included in land and buildings is land of £1,446k (2023 - £1,446k) which is not depreciated. Land and buildings at historic cost had a cost of £5,055k (2023 - £5,055k) accumulated depreciation of £1,048k (2023 - £1,007k) and net book value of £4,007k (2023 - £4,048k) at 31 March 2024.

**2023**

	Land and buildings £000	Fixtures and fittings £000	Vehicles £000	Computer equipment £000	Total £000
<b>Cost / valuation</b>					
Balance at 1 April 2022	7,148	11	435	6	7,600
Additions	328	-	-	-	328
<b>Balance at 31 March 2023</b>	<b>7,476</b>	<b>11</b>	<b>435</b>	<b>6</b>	<b>7,928</b>
<b>Depreciation</b>					
Balance at 1 April 2022	905	5	369	6	1,285
Charge in year	103	3	33	-	139
<b>Balance at 31 March 2023</b>	<b>1,008</b>	<b>8</b>	<b>402</b>	<b>6</b>	<b>1,424</b>
<b>Net book value:</b>					
31 March 2022	6,243	6	66	-	6,315
<b>31 March 2023</b>	<b>6,468</b>	<b>3</b>	<b>33</b>	<b>-</b>	<b>6,504</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**14 Investments**

	<b>2024</b>	2023
	<b>£000</b>	£000
<b>Quoted investments:</b>		
Market value at 1 April 2023	<b>10,586</b>	11,729
Acquisitions at cost	<b>1,524</b>	3,693
Disposals	<b>(2,505)</b>	(3,393)
Unrealised gains/(losses)	<b>1,077</b>	(1,443)
Market value at 31 March 2024	<b>10,682</b>	10,586
Historical cost at 31 March 2023	<b>9,916</b>	9,700
Accumulated unrealised gains	<b>766</b>	886
Market value at 31 March 2024	<b>10,682</b>	10,586
United Kingdom	<b>4,935</b>	5,780
Overseas	<b>5,747</b>	4,806
Cash held for reinvestment	<b>868</b>	62
Market value at 31 March 2024	<b>11,550</b>	10,648
Government stocks	<b>959</b>	606
Equities and other investments	<b>9,723</b>	9,980
Cash held for reinvestment	<b>868</b>	62
Market value at 31 March 2024	<b>11,550</b>	10,648

**15 Debtors**

	<b>2024</b>	2023
	<b>£000</b>	£000
Grants and fees	<b>2,805</b>	2,335
Taxation recoverable	<b>17</b>	8
Other debtors	<b>46</b>	42
Accrued income	<b>50</b>	324
	<b>2,918</b>	2,709

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**16 Creditors**

	<b>2024</b>	2023
	<b>£000</b>	£000
<b>Amounts falling due within one year:</b>		
Trade creditors	<b>344</b>	253
Funding agencies - deferred income	<b>478</b>	708
Other creditors	<b>498</b>	360
Other taxation and social security	<b>393</b>	356
Pension creditor	<b>169</b>	162
	<b>1,882</b>	1,839
<b>Amounts falling due after one year</b>		
Other creditors	<b>1,115</b>	1,300
	<b>1,115</b>	1,300
<b>Deferred income</b>		
Opening balance: Funding received in advance	<b>708</b>	1,147
Released in the period	<b>(708)</b>	(1,147)
Deferred during the period	<b>478</b>	708
Closing balance: Funding received in advance	<b>478</b>	708

Deferred income comprises payments received in advance of the expenditure made or before any performance conditions attached to the items of income have been met.

**17 Provisions for liabilities**

	<b>2024</b>	2023
	<b>£000</b>	£000
<b>Property dilapidation costs:</b>		
At 1 April 2023	<b>155</b>	155
Increase in provisions during year	<b>50</b>	-
At 31 March 2024	<b>205</b>	155

**18 Financial instruments**

	<b>2024</b>	2023
	<b>£000</b>	£000
<b>Financial assets:</b>		
Financial assets measured at fair value	<b>10,682</b>	10,586

Financial assets measured at fair value are listed investments (note 15).

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**19 Operating lease commitments**

	2024 £000	2024 £000	2023 £000	2023 £000
	Land & buildings	Other	Land & buildings	Other
<b>Amounts payable under non-cancellable operating leases:</b>				
Within one year	266	78	237	31
In two to five years	196	126	457	18
More than five years	144	-	92	-
<b>Total obligations</b>	<b>606</b>	<b>204</b>	<b>786</b>	<b>50</b>

Operating lease rentals charged as an expense during the year totalled £448k (2023 – £275k).

**20 Analysis of net assets between funds**

**2024**

	Investments £000	Tangible fixed assets £000	Net current assets £000	Provisions £000	Total £000
Restricted funds	-	-	2,209	-	2,209
Restricted fund – AUAF	1,577	-	155	-	1,732
Restricted fixed asset reserve	-	691	-	-	691
Designated	-	-	593	-	593
Unrestricted funds	9,973	6,119	1,132	(205)	17,019
Pension reserve	-	-	-	-	-
	<b>11,550</b>	<b>6,810</b>	<b>4,089</b>	<b>(205)</b>	<b>22,244</b>

Restricted funds of £4.6m in total comprise the following: £1.7m value of asset portfolio in relation to the Aberlour Urgent Assistance Fund (AUAF); £0.7m in relation to Restricted grants for fixed assets; remaining £2.2m relates to restricted funds across 44 services in various locations across Aberlour. Of these balances only 4 are above £100k individually: one in relation to the Intensive Family Support Services in Dumfries & Galloway; one in relation to the Scottish Guardianship Service which will be utilised within the following financial year; one in relation to our Highlands Residential services; and one in relation to our Family Service in Falkirk.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**20 Analysis of net assets between funds (continued)**

**2023**

	Investments	Tangible fixed assets	Net current assets	Provisions	Total
	£000	£000	£000	£000	£000
Restricted funds	-	-	2,156	-	2,156
Restricted fund – AUAF	1,439	-	238	-	1,677
Restricted fixed asset reserve	-	691	-	-	691
Designated	-	-	790	-	790
Unrestricted funds	9,209	5,813	1,549	(155)	16,416
Pension Reserve	-	-	-	-	-
	<b>10,648</b>	<b>6,504</b>	<b>4,733</b>	<b>(155)</b>	<b>21,730</b>

**21 Analysis of charitable funds**

**2024**

	Balance at 1 April 2023	Income	Expenditure	Gains/ (losses)	Transfers (note 11)	Funds at 31 March 2024
	£000	£000	£000	£000	£000	£000
Unrestricted funds	<b>17,206</b>	12,378	(11,679)	1,001	(1,294)	<b>17,612</b>
Restricted funds	<b>2,847</b>	16,384	(17,625)	-	1,294	<b>2,900</b>
Restricted fund – AUAF	<b>1,677</b>	366	(426)	115	-	<b>1,732</b>
Pension fund	-	-	-	-	-	-
	<b>21,730</b>	29,128	(29,730)	1,116	-	<b>22,244</b>

**2023**

	Balance at 1 April 2022	Income	Expenditure	Gains/ (losses)	Transfers (note 11)	Funds at 31 March 2023
	£000	£000	£000	£000	£000	£000
Unrestricted funds	<b>19,266</b>	12,860	(12,395)	(1,195)	(1,330)	<b>17,206</b>
Restricted funds	<b>2,164</b>	14,364	(15,011)	-	1,330	<b>2,847</b>
Restricted fund – AUAF	<b>1,665</b>	583	(356)	(215)	-	<b>1,677</b>
Pension fund	<b>(1,242)</b>	-	(9,546)	10,788	-	-
	<b>21,853</b>	27,807	(37,308)	9,378	-	<b>21,730</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**22 Pension scheme liability**

**Defined benefit superannuation scheme**

Aberlour's active scheme membership in the Local Government Pension Scheme, a defined benefit superannuation scheme, ended in July 2022 and a deferred debt arrangement was entered into resulting in payment of £1m to the scheme. In November 2022 fluctuations within final fund valuations moved favourably, which allowed Aberlour to ask for a termination valuation to be carried out. This resulted in a refund from the scheme of £1.1m which was received in March 2023. These transactions are included within pension costs (see note 12).

Contributions made to the scheme were charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the company.

As a result of exiting the scheme, contributions of £nil (2023: £nil) were outstanding at the year end.

The disclosures below show the movements in scheme asset and liabilities until the exit date on 30 November 2022.

**Summary of actuarial assumptions used**

The valuation used for FRS 102, section 28 disclosures has been based on the most recent actuarial valuation at 31 March 2020 and updated by a qualified actuary, Mark Wilson of Mercer Limited, to take account of the requirements of FRS 102, section 28 in order to assess the assets and liabilities of the scheme at the exit date, 30 November 2022.

The main assumptions used in the actuarial calculations are:

	<b>31 March 2024</b>	31 March 2023
Rate of salary increases (% per annum)	-	2.60%
Rate of pension increase (% per annum)	-	2.70%
Discount rate (% per annum)	-	4.80%
Inflation rate (% per annum)	-	3.30%

**Demographic/statistical assumptions**

The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2020. The post-retirement mortality tables adopted were the PA92 series projected to calendar year 2020 for current pensioners and 2022 for non-pensioners with the future improvement in mortality set at a minimum of 1% per annum.

The assumed life expectations from age 65 are:

		<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Retiring 31 March 2023</b>	Males	-	21.5
	Females	-	24.2
<b>Retiring in 20 years</b>	Males	-	23
	Females	-	26.3

It has been assumed that 50% of retiring members will opt to increase their lump sums to the maximum allowed.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**22 Pension scheme liability (continued)**

The table below compares the present value of the scheme liabilities, based on the actuary's assumptions, with the estimated employer assets.

	<b>2024</b>	2023
	<b>£000</b>	£000
Fair value of scheme assets	-	-
Present value of funded obligations	-	-
Net liability in the balance sheet	-	-

**Changes in the fair value of scheme assets**

	<b>2024</b>	2023
	<b>£000</b>	£000
Opening fair value of scheme assets	-	71,422
Interest on plan assets	-	1,333
Remeasurements	-	(5,589)
Administration expenses	-	(4)
Contributions by employer	-	133
Contributions by scheme participants	-	73
Settlements	-	(66,400)
Estimated benefits paid (net of transfers in)	-	(968)
Closing fair value of scheme assets	-	-

**Changes in the present value of the defined benefit pension liability**

	<b>2024</b>	2023
	<b>£000</b>	£000
Opening defined benefit liability	-	(72,664)
Current service cost	-	(400)
Interest cost	-	(1,354)
Effect of curtailments	-	-
Actuarial gains/(losses)	-	21,805
Settlements	-	57,146
Experience gains	-	(5,428)
Estimated benefits paid (net of transfers in)	-	968
Members contributions	-	(73)
Closing defined benefit liability	-	-

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**22 Pension scheme liability (continued)**

**Movement in (deficit)/surplus during the year**

	<b>2024</b>	2023
	<b>£000</b>	£000
Share of deficit in scheme at beginning of the year	-	(1,242)
Movement in year:	-	
Current service cost	-	(400)
Administrative expense	-	(4)
Contributions	-	133
Net interest cost	-	(21)
Settlements	-	(9,254)
Effect of curtailments	-	-
Experience gains	-	(5,428)
Actuarial (losses)/gains	-	16,216
Share of deficit in scheme at end of the year	-	-

**Amounts recognised in the statement of financial activities**

	<b>2024</b>	<b>2024</b>	2023	2023
	<b>£000</b>	<b>£000</b>	£000	£000
Current service costs	-		(400)	
Contributions	-		133	
Settlements	-		(9,254)	
Curtailments	-		-	
Administrative expense	-		(4)	
		-		(9,525)
Interest on plan liabilities	-		(1,354)	
Interest on plan assets	-		1,333	
		-		(21)
Total		-		(9,546)

**5-year history of experience gains and losses**

	<b>2024</b>	2023	2022	2021	2020
	<b>£000</b>	£000	£000	£000	£000
Defined benefit obligation	-	-	(72,664)	(73,639)	(63,325)
Scheme assets	-	-	71,422	70,715	52,528
Deficit	-	-	(1,242)	(2,924)	(10,797)
Experience adjustments to scheme liabilities	-	-	(2,806)	12,732	(6,213)
Experience adjustments to scheme assets	-	-	(266)	17,664	(2,555)

**Aberlour Child Care Trust**  
**For the year ended 31 March 2024**

**Notes to the Financial Statements (continued)**

**23 Analysis of changes in net debt**

**Cash and cash equivalents**

	At 1 April 2023	Cash flows	At 31 March 2024
	£000	£000	£000
Cash at bank and in hand	5,163	(1,640)	<b>3,523</b>
Deposits – investments	62	806	<b>868</b>
<b>Total</b>	<b>5,225</b>	<b>(834)</b>	<b>4,391</b>

**24 Post balance sheet events**

Purchase of property – Aberlour purchased a property located in Markinch, Fife for £690k in April 2024. This property is to be used as a residential home for children and young people and form part of our Sycamore cluster or residential provision in Scotland.