



**Aberlour Child Care Trust**

**Annual Report and Financial Statements**

**Year ended 31 March 2021**

**Company Number SC312912**

**Scottish Charity Number SC007991**

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**Aberlour Child Care Trust**  
**For the year ended 31 March 2021**

**Charity Information**

**Trustees**

David Robb – Board Chair. Successor to Valerie Surgenor (resigned 21 September 2020)

David Elder – Vice-Chair

Antony John Sinclair – Chair of Finance Committee

Jane Elizabeth Morgan - Chair of Improvement, Audit & Risk Committee

Andrew Black – Chair of Investment Committee

Andrew McFarlane – Chair of Nominations & Succession Committee

Timothy Armstrong

Ross Mathison

Robert Lindsay

Neil Byers (resigned 18 August 2021)

Jennifer Robertson

Michelle Armstrong (appointed 21 September 2020)

Jozanne Bainbridge (appointed 21 September 2020)

Gavin Falconer (appointed on 6 April 2020)

**Chief Executive**

SallyAnn Kelly

**Company Secretary**

Ian Black

**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

## **Chair's Foreword**

In my first year as Chair of Aberlour Child Care Trust it is heartening to be joining a buoyant, resilient and influential organisation. On joining Aberlour, I was immediately struck by the sound and stable governance within the organisation, testament to the leadership of my predecessor as Chair, Val Surgenor. Aberlour works alongside Scotland's most disadvantaged children and families, ensuring their voices and needs are brought to decision makers. Aberlour is an organisation looking forward to its 150th anniversary and it is at the vanguard in working progressively to promote the rights and improve the wellbeing of Scotland's children and their families.

It is with great pride and enthusiasm that I take over as Chair of the organisation in its delivery of a new strategy ("Being Brave for Children, Young People & Families") that will set our direction up to 2025.

Aberlour has an established place as a provider of consistently high-quality social care for some of Scotland's most disadvantaged young people. Aberlour's contribution is not just service provision. The organisation uses its deep knowledge and experience to campaign on behalf of children and families.

The 2020/21 Annual Accounts demonstrate Aberlour's underlying strength and sustainability, despite operating in a very challenging set of circumstances.

Supporting and protecting some of Scotland's most vulnerable children, young people and their families is at the heart of what we do. We adapt our services to meet the individual needs of those children, many of whom face what must feel like overwhelming obstacles.

In a year of many hurdles and adversities brought about by the Covid19 pandemic we have faced new challenges in how we support staff in remote working, how we interact with partners who are also adapting, supporting young people to learn outside the school environment and supporting vulnerable families in increasingly difficult circumstances. Threaded through everything we do is our commitment that they should have the best possible start in life so that they can flourish and contribute to Scottish society.

We remain focussed on growing and delivering our services, policy and practice development and campaigning activities. This foreword to the Financial Statements only touches on some of the many notable activities, developments, and achievements for the organisation during the year.

Following on from previous years, the Statement of Financial Activities shows a strong and growing operating position and a resilient balance sheet, positioning Aberlour well for the challenges it faces.

The Board is mindful of discharging good governance and working within the regulatory environment through, for example, the Duty of Candour and Notifiable Events. Procedures are in place to provide early awareness and information to all interested parties with details provided to the Board and Committees.

The Trustees meet regularly, utilising technology to meet lockdown restrictions while proper governance obligations are discharged as Aberlour progresses in meeting strategic objectives. There are regular reviews of the processes and controls put in place to deal with operations, as set out in our Corporate Risk Register and we regularly conduct reviews of progress towards meeting corporate strategy including agreed Key Performance Indicators and metrics around financial performance.

The investment portfolios held in our main Investment Fund and Urgent Assistance Fund enable Aberlour to operate independently, advocating on behalf of children's rights, free from contractual constraints. These portfolios are of significant value and were managed effectively by Quilter Cheviot, demonstrating good stewardship through the turbulence experienced by global financial markets.

Our Investment Committee undertook regular and diligent scrutiny of the performance of the Fund Managers and ensured the ethical requirements are complied with. The success of the Urgent Assistance Fund following the move to a Total Return Approach in investment management gave confidence in adopting that approach to the main Portfolio, following OSCR's endorsement.

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

At the onset of the Covid19 pandemic and the introduction of lockdown, the Board realised the hardships that would be faced by many families and augmented the Aberlour Urgent Assistance Fund (AUAF) by £100,000 from Unrestricted Reserves. This expanded the grant-making capacity of the AUAF and was further enhanced by a focussed fundraising campaign. Generous contributions from individuals, trusts and Scottish Government amounted to £1.268m in year allowing payments in year of £1.013m with £255k carried forward into 2021/22.

In total AUAF reached 3,346 families during 2020/21 with 3,436 awards made across Scotland's most financially challenged communities. Anticipating the significant increase in demand on the Fund, on 16 March 2020 Aberlour launched a Coronavirus Urgent Assistance appeal. The purpose of the appeal was to boost income to the Fund and enable more cash grants to be paid direct to families in immediate and desperate need. Aberlour's fundraising activity is always conducted within the parameters of appropriate standards and best practice. Our appeals allowed more direct impact to support families, spreading awareness of the organisation and the hardships facing families.

Relationships with McRoberts, Clyde & Co, Marsh, Kerr Stirling, BDO LLP and Quilter Cheviot Investment Management Services remain strong and are highly valued, offering guidance and adding value beyond contractual and regulatory requirements. Their contributions are highly beneficial to the Board's deliberations in its governance role and operationally to the Senior Leadership Team. We remain grateful for their ongoing support and counsel.

Once again, we see evidence of the efforts and impact of all at Aberlour, our external networks, our valued supporters and growing number of committed volunteers, and importantly our funders and fundraisers. Our combined efforts have clearly and tangibly improved the lives of many children, young people, and families across Scotland in the past year. I am enormously grateful to everyone who has played a part. I look forward to seeing Aberlour go from strength to strength in the coming years.

David Robb,  
Chair of the Board  
Aberlour

## **Chief Executive's Report**

I am delighted to share and comment on the progress that Aberlour made in 2020/21 against the unique and unprecedented backdrop of the Covid19 pandemic and resultant societal lockdowns. We set ourselves some ambitious plans focused on reaching even more children and families in need of support. Continuing economic uncertainty with lower employment and rising levels of poverty underlined why this mattered even more than had been anticipated.

We continue to successfully grow our portfolio of Services. Increasingly our support to families is informed by listening to them and delivering what they tell us they need most. The range of Services is deepening and widening across Scotland. Our Sustain concept is gaining significant traction and is now operational in more local authority areas. Our residential Services are in high demand. New Services have opened in Angus and North Ayrshire (council areas we haven't worked in before) and a perinatal Service is active in Edinburgh, marking a welcome return to Scotland's capital city.

We take innovative approaches to ensure the voices of our children shape the support they receive. This is happening across the country, within the homes of the foster families we support, in our children's houses, and in the community with individual households. It is a rich source of learning for us, informing what we communicate to, and ask from, decision makers and influencers.

We are bold in our campaigning and persistent in our influencing. We have worked collaboratively with others in the poverty sphere to shine a light on the life-long consequences of child poverty. We have partnered with other learning disability and parenting providers to champion the interests of parents with additional learning needs. In both cases our overriding purpose has been to help families early so that their children can thrive.

It remains an immense privilege to lead Aberlour, navigating the organisation through troubled economic and political waters. Our organisational values of **integrity**, **respect**, **challenge**, and **innovation** remain at the heart of all that we do.

I would like to say "Thank you!" for the continued backing and generosity from our supporters allowing us to reach more children and families in Scotland who are most in need of support. It remains our ambition to embed our activities across Scotland.

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

The year has been one of supporting our people to deliver support in the extraordinary circumstances created by COVID19, setting up new support services and developing innovation internally and externally.

I would like to acknowledge the publication of "The Promise" and the focus that the reports from the Independent Care Review offer us in setting out a route map for developing better and more effective support for children and families across Scotland.

We have continued to maintain, develop, and invest in a wide range of children and family support Services across Scotland. Highlights include:

- Completing the refurbishment of our property in the Kaimhill district of Aberdeen, offering an enhanced short breaks service to families who have a child with a disability. The extended service embeds a unique partnership between Aberlour, Aberdeen City Council and Grampian Autistic Society, working together to ensure families and their children can receive care that's specific to their individual needs.
- Strengthening our commitment to supporting families early, we expanded our highly effective Sustain services this year. We spend time with children, young people, parents and carers listening to them in order to understand the challenges they face and what support the family needs to thrive. We offer flexible support, avoiding a one-size-fits-all approach, and continue to keep families together.

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

- Opening Red Squirrel House - a unique and inspiring new house in Tayside for primary school aged children who are not able to live with their own families. Red Squirrel has been co-designed with children and young people who have been in the care system themselves and is the result of an innovative partnership between Aberlour, Angus, and Perth & Kinross Councils who have recognised the need for loving homes that provide high quality care for vulnerable children within their own community. Launching a new service to support families in the Falkirk Council area affected by problematic substance use. The new Intensive Perinatal Support Service, delivered in partnership with Falkirk Council, Falkirk Health and Social Care Partnership, and CORRA Foundation, aims to fill the gap in supporting new mothers and providing babies with a chance to have the best start to life.
- Celebrating a decade of our Scottish Guardianship Service in September 2020. Over the last ten years, this service has supported nearly 700 asylum-seeking and trafficked children and young people. The service is run in partnership with Scottish Refugee Council.
- Supporting children to be fostered into families living in Glasgow and Edinburgh, having been accepted onto the Fostering Framework for both cities. This is the result of our fostering service going from strength to strength.
- We were awarded funding for two projects from "The Promise" to support the vital reshaping of Scotland's care system. One project will look at the effects of families being trapped in poverty and hardship; the other will support progress in making children's homes safe, loving and secure places for children to grow up and thrive.

### **Business development**

Our achievements in service delivery have been enabled by an outstanding year for our business development team which has achieved a more than 90% success rate on tenders. That success is testament to the quality of the services we deliver, focusing on areas that we perform best in. Key achievements include:

- Expanding our support for asylum seeking children across Scotland with the support of £1.2m from the Asylum, Migration and Integration Fund.
- Digital Transformation, enabling Aberlour to accelerate our service redesign and digital work, with the support of £500,000 from the National Lottery Communities Fund.
- Building our community-based services/ hubs, including direct Scottish Government investment via Aspiring Communities and Investing in Communities funding of £300,000.
- Developing our Sustain services, securing £150,000 for a Sustain North Ayrshire service.

An active pipeline of tenders and opportunities is maintained, offering the prospect of new work and opportunities across Scotland.

### **Modernising Aberlour**

Aberlour was able to accelerate our plans for digital transformation in response to the COVID19 and this included the roll out of technology to assist remote working, the modernisation of finance systems and the adoption of technology to aide direct engagement with families during lockdown

### **Some setbacks**

As an organisation that secures work from public sector bodies, Aberlour continues to be affected by public sector expenditure constraints. Balanced against our many successes the biggest disappointments have been linked to the pandemic, affecting the level of spot purchase placements in our respite/ short breaks services and the fact that our planned expansion of our Foster Care service has been delayed. However, efforts are redoubled, and we aim to get these back on track quickly.

Aberlour has a policy to maintain and underwrite funding for services by using internal resources if there is a viable long-term business opportunity. Where this does not exist, regrettably service closure ensues, and asset rationalisation is undertaken. In October 2020 we closed our Family Service in Aberdeen as a result of loss of funding and lack of long-term viability. Management work tirelessly with commissioners to repurpose our Service offerings to better meet local priorities where possible.

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

### **Policy, campaigns and advocacy**

Throughout the year we have continued to influence public policy in Scotland, with a focus on poverty, disadvantage and children's rights and participation. Highlights include:

- Throughout the pandemic we remained focused on our political influencing, lobbying, and campaigning work. We have continued to influence legislation and policy, and to engage with the Scottish Government, MSPs and other policy makers.
- By representing the views and experiences of children, young people and families, we have aimed to make sure policy which impacts on them reflects those views and experiences.
- Our campaigning work has continued to elevate the voices of the children, young people and families we work with. We have continued to campaign to end child poverty and to make sure families who need extra help get the support they need.

### **Child poverty/Scottish Child Payment**

Aberlour continues to be a leading voice campaigning to end child poverty in Scotland. Along with children's charities and anti-poverty organisations as part of the End Child Poverty coalition, we have repeatedly called on the Scottish and UK Governments to get money urgently into the pockets of families most affected financially by the pandemic.

During the recent Scottish Parliamentary election, we campaigned to highlight our key asks of political parties. We were able to influence party manifestos, individually and through our coalitions on important issues, such as doubling the Scottish Child Payment, supporting families with No Recourse to Public Funds and digital exclusion.

All parties committed to doubling the Scottish Child Payment during the elections, thanks to our influencing work and our work as a member of the End Child Poverty coalition. We are also working with partners to influence the Scottish Government's next Child Poverty Delivery Plan 2022-26 to make sure they progress all the actions we have been calling for to help lift more children out of poverty and to tackle the impact of poverty on families.

### **Scottish Welfare Fund**

Through our lobbying and influencing work we have highlighted issues and concerns around the delivery of the Scottish Welfare Fund and the challenges that has presented for families in financial crisis. We highlighted these concerns to the Scottish Parliament's Social Security Committee last year on their inquiry into the social security response to the pandemic. The Committee's final report was published in March, highlighting our evidence and recommending a review of the Scottish Welfare Fund to ensure it is fit for purpose.

### **Children's Rights/UNCRC Incorporation**

As a member of Together Scotland strategy group, we have helped influence the development and progress of the UNCRC Incorporation Bill. We contributed to the influencing work to help improve and enhance the bill to further promote and protect the rights of all children and young people. The Bill successfully passed in March as one of the last acts of the current Scottish Parliament. This world leading legislation will provide a legal framework and accountability to public bodies and all other duty bearers to respect, protect and fulfil children's rights.

We supported some of our own young people to meet with the Scottish Parliament's Equalities and Human Rights Committee to influence the Bill and to share their views on how their rights can better be supported, promoted, and protected.



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

### **Scottish Guardianship Service/Unaccompanied Asylum-Seeking Children**

In September we hosted an event to celebrate 10 years of the Scottish Guardianship Service. This online event was attended by partners, supporters, and stakeholders from across the public and third sectors, as well as some of the young people who have been supported by the service.

The Cabinet Secretary for Communities and Local Government, Aileen Campbell MSP, also attended. She acknowledged and celebrated the work of the service, the value of the partnership between Aberlour and Scottish Refugee Council and the benefit of the service for the nearly 700 unaccompanied and asylum-seeking and trafficked children and young people supported by the service in that time. Angela Constance MSP also led a debate in the Scottish Parliament to recognise the work of the Scottish Guardianship Service over the last 10 years. Contributions were made by all parties in the Scottish Parliament, recognising the incredible work of the service and the need to further protect and support all separated children arriving alone in Scotland.

**SallyAnn Kelly**  
**Chief Executive**

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

The Trustees present their report and financial statements for the year ended 31 March 2021. 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. He believed that every child has the ability to grow up and flourish in society, regardless of the circumstances of his or her birth. In 1978 Aberlour Child Care Trust became a Scottish Charity constituted by a statutory instrument. On 31 March 2010 the Trust was wound up and on 1 April 2010 its assets, liabilities and undertakings were transferred in their 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 and reflected in Aberlour's values of Integrity, Challenge, Innovation and Respect.

The Trustees of Aberlour are the members of the Trust and their liability is 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 Trustees elected by the Board of Trustees, based on their experience and ability to make positive contributions to the 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 services. It is the Board's practice to elect Trustees to serve an initial four-year term, which can be extended for a second four years with Board approval. Regular ongoing training is provided to Trustees on governance and topical matters.

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 Committee. Implementation of the strategy and financial plan is delegated to the Chief Executive.

The Board continues to assess the major risks to which Aberlour is exposed, in particular those relating to services to children and families and to its finances. The organisational strategic risk register is reviewed regularly by the Senior Leadership Team and bi-annually by the Board and regularly by the Improvement Audit & Risk Committee.

### **The Board of Trustees**

The Trustees who held office since 1 April 2020 are listed on page 1.

The Directors of the charitable company (the Trust) are its Trustees for the purpose of Charity Law and throughout this report are referred to as the Directors.

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

### **Overview**

Aberlour Child Care Trust is proud of its heritage, and it continues to be recognised for its high quality, innovative work with some of Scotland's most vulnerable children, young people and families. During the past year we have continued to operate within a challenging economic environment, with ongoing austerity 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. Many long-standing services are being subjected to re-tendering processes which are challenging and introduce 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.

## **Director's (Trustees') 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 2020/21 the value stood at £1,702k (2019/20 - £1,371k). Income in 2020/21 totalled £1,268k (2019/20 - £161k), of which £1,013k (2019/20 - £79k) was paid to beneficiaries 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 payments from AUAF. This and focused and successful fundraising campaigns will increase grant-making capacity allowing more need to be met in increasingly difficult circumstances.

Monies received from bequests and legacies totalled £13k (2019/20 - £38k) which has 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.

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.

Aberlour seeks to influence the national policy agenda for children and young people, ensuring they are at the heart of decision processes of national and local government. We have developed our volunteering strategy and have exploited 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 economic climate is constrained, creating a challenging and commercially competitive landscape across 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 and alcohol dependency and family breakdown. We provide a range of specialist, high quality, community, and residential care services in over 40 Services 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, widely operating across Scotland, is an innovation aiming to reduce the prospect of deterioration in the circumstances of young people 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;
- A throughcare and aftercare Service for young people who would normally leave care at age 16 providing more support in adolescence and ongoing care to enable them to fulfil their potential;
- Support to children whose lives are affected by parental substance misuse;
- Residential care, short breaks and outreach Services for children and young people with challenging and complex needs and often profound and severe learning difficulties and physical disabilities;
- 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;

## **Director's (Trustees') Report (Continued)**

- 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.

### **ACHIEVEMENTS AND PERFORMANCE**

#### *Investing in our Services*

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

- We invest in development, quality assurance and maintenance programmes for our Services, which we recognise as being home for the children and young people in our care;
- Our long-standing residential care provision in Fife and the Highlands for young people who have suffered trauma remain a main stay;
- Data analysis and surveys to prepare for introducing an organisation-wide asset management strategy that will ensure our organisational infrastructure remains fit for purpose and robust;
- 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, with a new Service opening in Edinburgh. Independent research by Stirling University affirms the positive impact derived and we aim to roll this out nationally, supported by NHS boards.

#### *Staff*

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 children, 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.

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.

### **KEY PERFORMANCE INDICATORS**

- We work to meet all the obligations that care workforce regulations require with robust learning and development plans that maintains this. Outcomes over the last twelve months have been:
  - 4,246 (4,133 in 2019/20) learning activities were carried out across the organisation, this comprised of a range of 85 courses, during when there was no in-person training delivered. Delivery methods were repositioned towards e-learning and online training via MS Teams. 31 courses that were delivered online to small groups of staff (662 attendances in total). Face-to-face had to be replaced with e-learning packages
  - In the first few months of lockdown the focus for the L&D team was ensuring adaptation of content and delivery to an on-line environment and that mandatory training continued for Services with the highest risk e.g. Residential Services.
  - Whilst delivery through Teams was very beneficial, there were drawbacks as courses took much longer, to combat remote learning fatigue, and were delivered to much smaller groups.
  - As lockdown continued external training suppliers began to adjust their delivery models also, we were able to start to offer a broader range of training more in line with previous years.

### **Director's (Trustees') Report (Continued)**

- Staff absence rate for sickness was 3.81% in 2020/21 compared to 5.03% for 2019/20. During the pandemic our staff, like many other workforces, had to self-isolate or shield as per Government advice. As such actual absences from work were higher than the above reported rate although many staff were able to continue to do some work from home during these periods, Aberlour made the decision not to furlough any staff or insist that any periods of self-isolation or shielding were treated as sick pay.
- Staff turnover was 16.35% in 2020/21, compared to 24.09% in 2019/20, with 11.19% leaving the organisation voluntarily. During the early stages of the pandemic individuals were reluctant to move jobs due to uncertainty about job security and this had a dramatic impact on our turnover throughout the year. However, we have also seen an increase in job opportunities across the sector which in turn is affecting turnover and our ability to effectively recruit due to our ongoing growth. Turnover rates are reviewed closely as this has implications on management time involved in recruitment and induction, and HR processes and L&D, but most importantly reduces the ability to form strong beneficial relationships with young people. This is a prioritised area of management focus, and we aim to reduce turnover.
- We had 25 registered services in 2020/21 (24 in 2019/20). Due to Covid-19, the Care Inspectorate (CI) limited inspections to high-risk services only. Aberlour is considered as low risk and high performing organisation and as such there were no CI inspections.
- During the reporting period, whilst no external inspections took place, remote Quality Support Visits and Health and Safety Inspections were undertaken by Aberlour's Quality & Safeguarding team and Fire Risk assessments took place across 36 different services and premises.
- Residential care remains a mainstay of Aberlour's operations and a relatively fixed cost. We monitor this closely and our occupancy rate in 2020/21 was 89% compared to 95% in 2019/20.
- Aberlour annually conduct gender pay gap analysis and in 2020/21 reported a 5.5% mean pay gap (7.28% in 2019/20), against a national average of 15.5%. As per legal requirements the report has been published in full on our website and we are reviewing ways to reduce our pay gap further.

#### **REMUNERATION POLICY & EMPLOYEES**

Aberlour pays no less than the Scottish Living Wage to staff and are committed to maintaining this policy and proudly holds membership of the Living Wage Foundation. There is a job evaluation scheme against which all jobs are evaluated across the organisation, including promoted posts. Any changes to remuneration outwith universal cost of living arrangements, which are recognised in an annual pay award, are assessed, and justified using the job evaluation scheme and the associated pay scales.

The pay award is considered and determined by the Board of Directors on an annual basis. Decisions are based after consideration of affordability, sustainability and competitiveness within third sector employment trends. We aim to make a standard annual cost of living increase to all staff and in recent years we have increased payments to lower paid staff.

Our Aberlour Pride Network continues to grow, and we offer staff support to encourage involvement. We work closely with Stonewall and review our workplace equality index.

#### **FINANCIAL REVIEW OF 2020/21**

Income from charitable activities for the year was £16,967k compared to £16,497k in 2019/20. Voluntary income, including donations, legacies and other income for the year was £2,383k compared with £1,621k for the previous year and efforts will continue to grow this income stream to maximise the services provided.

Total expenditure for the year was £20,122k compared with £19,666k in 2019/20. The charity recorded an 'operating' surplus of £145k (2019/20 - £263k) as reflected in the statement of financial activities (after adjusting for the pension fund expenditure movement).

The level of Unrestricted Reserves has increased from £4,694k to £20,541k, due to a transfer from the Endowment Fund in the year (see note 23) and a significant actuarial gain in the year.

## Director's (Trustees') Report (Continued)

### PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the major risks facing the Trust in detail at the I, A&R committee, and make recommendations to the Board on any formal changes to the risk profile. Particular focus is given to those related to the financing, operations and reputation of the Trust. The Trustees are satisfied that systems are in place to mitigate their exposure to the major risks. A comprehensive corporate risk register is formally maintained to ensure the key risks are identified and the mitigation measures are effective.

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

- **Financial** - Scottish Government's Financial Redress scheme and historic abuse claims from former Service users could have financial impacts of claims for damages;
- **Reputational** - failing in health and safety obligations leading to enforcement action and damages;
- **Reputational** - participation in the Historic Abuse Inquiry and media coverage;
- **Reputational** - data protection breaches and/or failure to comply with subject access requests.
- **Reputation & Sustainability** - failure to evidence impact leading to funders and commissioners not contracting for Services leading to a reduced portfolio and less competitive advantage;
- **Sustainability** - defined benefit pension scheme shows a funding deficit on the balance sheet;
- **Sustainability** - public spending restrictions leading to reduced funding for services threatening sustainability
- **Sustainability** - failure to recruit enough staff to run and or launch new services due to exceptional national recruitment environment.
- **Impact** - failure to meet fundraising targets.

Following the legislation for a national Financial Redress Scheme receiving Royal Assent, discussions commenced with civil servants from Scottish Government to fully understand the implications for Aberlour in terms of affordability and long-term sustainability. These discussions are ongoing. Many arrangements are anticipated to be operational in 2021 and the Board will be required to decide the extent of Aberlour's involvement once all factors are known.

### 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. We have set annual growth targets of 6% per region and can monitor progress towards this through quarterly reviews, utilising new innovations in business intelligence.

Our 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 the Country. Our services ensure that we are able to respond to the demands created through the self-directed support agenda and we anticipate a growth in spot purchase and SDS opportunities.

In relation to growing and delivering Services outside Scotland, we have interest and placements through the framework agreement for local authorities in the North-East of England.

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. Our reputation

## **Director's (Trustees') Report (Continued)**

### **PENSIONS**

Aberlour is currently a Local Government Pension Scheme (LGPS) admitted-body employer under with North-East Scotland Pension Fund (NESPF). Details of Aberlour's share of the Fund, reported in accordance with FRS 102, are detailed in Note 25 of the Accounts.

Our investments held in NESPF increased their value in 2020/21, increasing from £52,528k to £70,715k. This was accompanied by an increase in the value of defined benefit liabilities from £63,325k to £73,639k which can be attributed to the change in the main assumption used in the actuarial calculations. Accordingly, net liabilities decreased from £10,797k in 2019/20 to £2,924k in 2020/21.

Separately work is underway to review the options available to Aberlour in managing the pension deficit.

Aberlour's employer contribution rates are at 21.3%, as determined in the outcome of the NESPF Triennial Valuation in 2020. Managing the pension deficit will provide stability to operational finances.

Aberlour also has a defined contribution scheme (provided by Scottish Widows) available for employees. Aberlour also provides defined contribution arrangements for employees affected by auto-enrolment, as provided by the UK Government-backed NEST scheme.

### **FINANCIAL RESERVES**

The major reserve is 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. In this financial year OSCR provided approval to allow reclassification of the former "Endowment Fund" which will allow inclusion of these monies as Unrestricted Reserves. This provides more flexibility to Aberlour in the furtherance of our 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.

Unrestricted funds of £20,541k (2019/20 - £4,694k) of which free reserves are £16,524k (2019/20 - £2,623k) (being Unrestricted funds less tangible fixed assets and designated reserves) which represents 22.8 months (2019/20 - 4.1) 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 reduced by having a 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 event; and,
- retain a reserve to provide a development capacity.

### **INVESTMENTS**

Investment policy is reviewed annually, and performance is assessed biannually by the Investment Committee. The portfolio is managed by Quilter Cheviot Investment Management with the objective of at least maintaining its value in real terms while meeting our operational requirement for income. Appropriate benchmarks have been adopted to provide an assessment of performance and return.

The value on 31 March 2020 was £8,976k and over the period fluctuated, eventually rising to £11,237k in 2020/21. Similar movement was achieved for the Aberlour Urgent Assistance Fund portfolio (value on 31 March 2020 £1,382k rising to £1,704k in 2020/21). Movements in investments in total are set out in Note 15. Market performance since the sudden and deep falls in March 2020 has been very positive, demonstrating the high quality of resilient investments favoured by Quilter Cheviot.

## **Director's (Trustees') Report (Continued)**

During a year of contrasting performances investment values initially fell and later recovered. The reasons for this were included Covid-19 restrictions, post-Brexit uncertainty, political changes, global economic fluctuations and changing global financial market sentiments.

Income from the main portfolio and interest earned during the year was £280k compared with £323k in 2019/20. The Aberlour Urgent Assistance Fund portfolio generated £41k compared with £45k in 2019/20 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 portfolio fully reflects 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. Under the policy, shares in tobacco, gambling, and defence companies are currently avoided and the ethical parameters will be reviewed again in 2021.

### **Emissions and Energy Consumption**

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

#### **UK energy use in 2020/21**

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.

#### **2020/21**

<b>Fuel Source</b>	<b>Consumption (kWh)</b>	<b>Proportion</b>
Electricity	356,610	22%
Gas	1,254,720	55%
LPG Oil	141,395	9%
Transport (Hired & "Grey" Fleet)	237,521	14%
	<b>1,990,246</b>	

#### **2019/20**

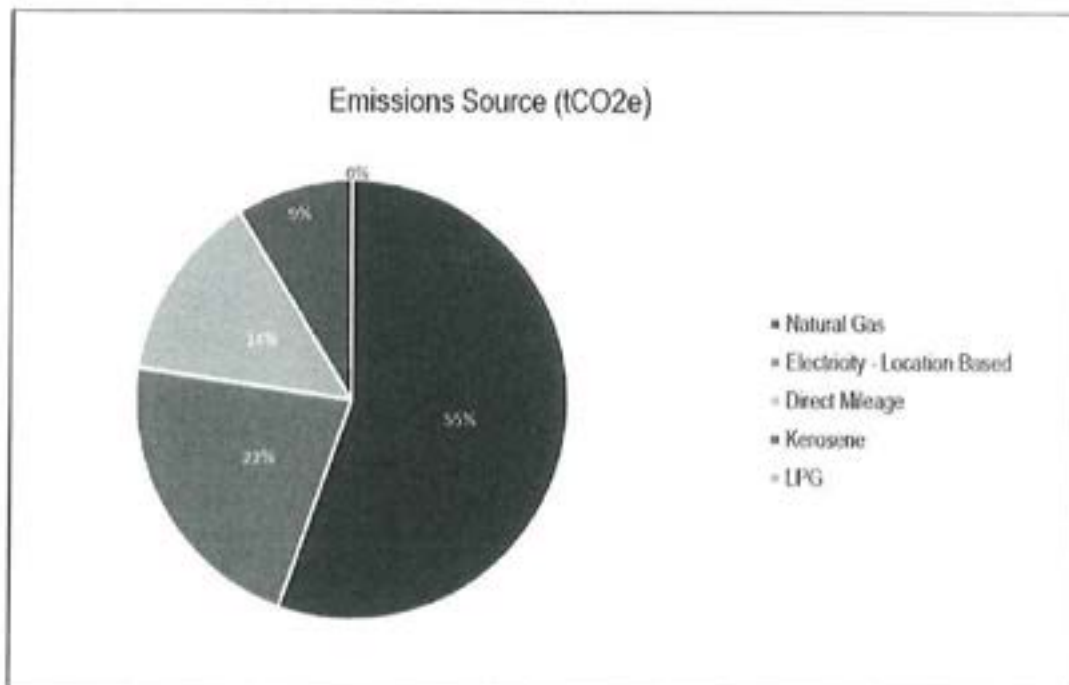
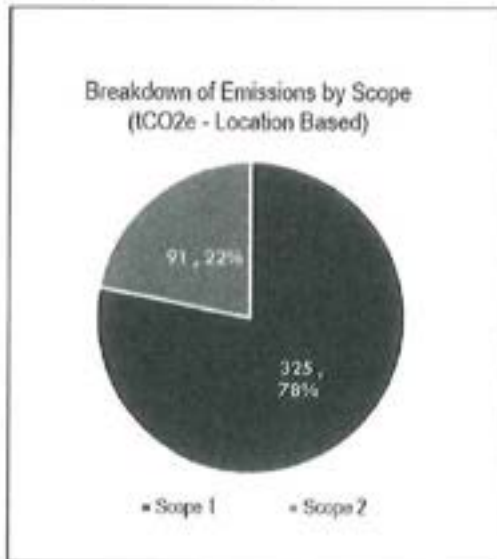
<b>Fuel Source</b>	<b>Consumption (kWh)</b>	<b>Proportion</b>
Electricity	386,040	14%
Gas	1,295,812	46%
LPG Oil	141,395	5%
Transport (Hired & "Grey" Fleet)	983,351	35%
	<b>2,806,598</b>	

### **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 (tCO<sub>2</sub>e). Market based factors have been taken from each of Aberlour Child Care Trust's relevant suppliers.



**Director's (Trustees') Report (Continued)**



**Annual Energy Efficiency Statement**

Covid-19 caused disruption to planned energy efficiency actions for Aberlour Child Care Trust during the financial year. With plans to begin ESOS phase 3 reporting during 2021 the environmental strategy can continue to move forward, with plans for smart metering across the estate and a change to 100% green electricity in the Autumn 2021. Discussions have taken place to improve staff awareness of environmental and energy improvement matters with staff training identified and to be implemented where required. Aberlour child care trust are continuing to improve and develop our commitment to environmental sustainability moving forward into the 2021/22 financial period.

Aberlour will commence energy and environmental management/reporting. During 2020/21 we have undertaken initiatives to improve and develop our commitment to environmental sustainability.

## **Director's (Trustees') Report (Continued)**

- Environmental Strategy agreed by the Board of Directors;
- Centralisation of energy contracts to allow for efficient procurement, data monitoring and future reporting and smart metering objectives set;
- Commitment to work towards and an accredited EMS ISO 14001;
- Successful funding and investment in digital transformation to include infrastructures made available for remote working, working from home, uses of technology, all with a significant reduction of travel related carbon consumption;
- Fleet modernisation improvements totalling £58,223 in financial year
- Property Asset Strategy agreed by the Board of Directors to include Pre-Planned Maintenance programme for upkeep and modernisation of properties, Capital investment of circa £1.7M over 10 years and £75,000 for energy efficiency improvements; and,
- Staff resource requirement identified for environmental management.

### **SECTION 172 STATEMENT**

The Trustees of Aberlour are mindful of how they and the wider organisation performs 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. This service continuity is important to staff, commissioners, donors, policy makers and regulators so they can have faith in the commitment of the organisations to deliver on strategic 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 the objectives 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 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 dense tapestry of support for 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 planning and considering current developments in childcare practice. We consult regularly with current and former staff and are responsive to any matters fed back.
- All changes and updates to operations and strategy are subject to senior management consultation with all staff and middle-management groups. We act on any suggestions with merit and undertake exit interviews with leavers. The findings from leaver interviews have formed the basis of a package on improvements to terms and conditions recently made to all employment contracts with the objective of improving staff retention rates.
- The effect of these initiatives has been instrumental to the high regard regulators have for Aberlour.

## **Director's (Trustees') Report (Continued)**

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

- o 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 within a culture of ethical business practice, reflecting the core values of the organisation.
- o Suppliers are sought based on price, quality, and expertise, with fair and transparent tender processes undertaken to secure commercially aware best value
- o Aberlour actively engages in a range of relevant professional bodies to share organisational experiences and professional standards and practice and are 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

- o Awareness of other parties' perception of the young people we care for in our residential services resulted in community meetings and engagement being undertaken before property purchases are made. Aberlour wants to be perceived positively and without animosity in the communities we operate in.
- o There are examples of Aberlour withdrawing interest in property purchases after neighbour notifications and public meetings have demonstrated local resistance.
- o The Board approved an Environmental Policy in 2019 and pre-planned maintenance programs incorporate improvements that can be made, and lifecycle investments required.

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

- o Aberlour has formed business partnerships that have endured over periods of 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.
- o Aberlour has 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.
- o There is close engagement with the Scottish Government regarding the new Financial Redress arrangements to allow the Board to make an informed decision on our involvement when the time comes.

### Acting fairly between members of the organisation

- o 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.

## **GOING CONCERN**

The Board of Trustees is 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 2024/25 which show no concerns with regards to the financial resilience of the organisation.

In the summer of 2021, there will be an easing of "lockdown" conditions in the UK. A challenging environment is still anticipated for fundraising, however the success in fundraising to augment the capacity of the AUAF augurs well and demonstrates what is capable when a tangible purpose is targeted. The financial statements 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 is anticipated to continue.

## **Director's (Trustees') Report (Continued)**

In order to corroborate this, the Executive Team has gone through long term budget forecasting through to 2024/25. This was done utilising 3 scenarios for assumptions on service income; Optimistic, Realistic and Pessimistic. The assumptions included in each factored 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. In all three scenarios, Aberlour shows strong growth potential.

While uncertainty exists, this is not to the extent that it casts doubt on the ability of Aberlour to continue, even in the worst-case scenario and under the "pessimistic" long term budgeting noted above, 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.

### **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.

**Director's (Trustees') Report (Continued)**

**APPOINTMENT OF AUDITOR**

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

**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 ~~21 Sept 2020~~ and signed on

20 Sept 2021



**David Robb**  
**Chair**

**Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2021**

**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 2021 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.

We have audited the financial statements of Aberlour Child Care Trust Limited ("the charitable company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remain independent of the 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 Trustees 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 Directors' (Trustees') Report and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be

**Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2021 (continued)**

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 annual report, which includes the Directors' (Trustees') report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' (Trustees') report has 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 Directors' (Trustees') report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 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. ;or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime; or
- were not entitled to take advantage of the small companies' exemptions in preparing the directors' (trustees') report and to the exemption from the requirement to prepare a strategic report

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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) of the Charities and Trustee Investment (Scotland) Act 2005 and under Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

**Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2021 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*

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:

The procedures that we designed and executed included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- reading minutes of meetings of those charged with governance; reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and regulations;
- assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our audit testing;
- determining whether the accounting policies and presentation adopted in the financial statements are in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP (FRS 102);
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business;
- vouching balances and reconciling items in key control accounts reconciliations to supporting documentation as at 31 March 2021; and
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate supporting documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

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 directors 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  
23 September 2021

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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 2021**

**2021 Statement of Financial Activities (incorporating income & expenditure account)**

	Note	Unrestricted funds £000	Restricted funds £000	Endowment fund £000	Pension fund £000	Total 2021 £000	Total 2020 £000
<b>Income:</b>							
Charitable activities	4	7,523	9,444	-	-	16,967	16,497
Donations and legacies	5	761	1,622	-	-	2,383	1,621
Income from other trading activities	6	7	19	-	-	26	50
Investment income	7	280	41	-	-	321	368
Other income	8	2	-	-	-	2	74
		<b>8,573</b>	<b>11,126</b>	<b>-</b>	<b>-</b>	<b>19,699</b>	<b>18,610</b>
<b>Expenditure on:</b>							
Charitable activities	9	7,929	10,686	166	568	19,349	18,907
Raising funds	10	765	8	-	-	773	759
		<b>8,694</b>	<b>10,694</b>	<b>166</b>	<b>568</b>	<b>20,122</b>	<b>19,666</b>
<b>Net income/(expenditure) before gains and transfers</b>		<b>(121)</b>	<b>432</b>	<b>(166)</b>	<b>(568)</b>	<b>(423)</b>	<b>(1,056)</b>
Realised gains on investments		-	4	153	-	157	51
Unrealised (losses)/gains on investments	15	-	345	2,197	-	2,542	(776)
<b>Net income/(expenditure) after gains before transfers</b>		<b>(121)</b>	<b>781</b>	<b>2,184</b>	<b>(568)</b>	<b>2,276</b>	<b>(1,781)</b>
Transfers between funds	11	15,968	-	(15,968)	-	-	-
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>15,847</b>	<b>781</b>	<b>(13,784)</b>	<b>(568)</b>	<b>2,276</b>	<b>(1,781)</b>
<b>Other recognised gains and (losses):</b>							
Actuarial gains/(losses) on defined benefit pension scheme	25	-	-	-	8,441	8,441	(3,787)
<b>Net movement in funds</b>		<b>(121)</b>	<b>781</b>	<b>(13,784)</b>	<b>7,873</b>	<b>10,717</b>	<b>(2,008)</b>
Funds brought forward		4,694	3,383	13,784	(10,797)	11,027	9,058
<b>Funds carried forward</b>	22,23	<b>20,541</b>	<b>4,164</b>	<b>-</b>	<b>(2,924)</b>	<b>21,781</b>	<b>11,064</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2021**

**2020 Statement of Financial Activities (incorporating income & expenditure account)**

	Note	Unrestricted funds £000	Restricted funds £000	Endowment fund £000	Pension fund £000	Total 2020 £000	Total 2019 £000
<b>Income:</b>							
Charitable activities	4	7,618	8,879	-	-	16,497	15,866
Donations and legacies	5	654	967	-	-	1,621	1,721
Income from other trading activities	6	32	18	-	-	50	65
Investment income	7	323	45	-	-	368	337
Other income	8	60	14	-	-	74	30
		<b>8,687</b>	<b>9,923</b>	<b>-</b>	<b>-</b>	<b>18,610</b>	<b>18,018</b>
<b>Expenditure on:</b>							
Charitable activities	9	6,975	10,499	114	1,319	18,907	17,932
Raising funds	10	685	74	-	-	759	670
		<b>7,660</b>	<b>10,573</b>	<b>114</b>	<b>1,319</b>	<b>19,666</b>	<b>18,602</b>
<b>Net income/(expenditure) before gains and transfers</b>		<b>1,027</b>	<b>(650)</b>	<b>(114)</b>	<b>(1,319)</b>	<b>(1,056)</b>	<b>(584)</b>
Realised gains on investments		-	19	32	-	51	40
Unrealised gains/(losses) on investments	14	-	(114)	(662)	-	(776)	516
<b>Net income/(expenditure) after gains before transfers</b>		<b>1,027</b>	<b>(745)</b>	<b>(744)</b>	<b>(1,319)</b>	<b>(1,781)</b>	<b>(28)</b>
Transfers between funds	11	(285)	285	-	-	-	-
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>742</b>	<b>(460)</b>	<b>(744)</b>	<b>(1,319)</b>	<b>(1,781)</b>	<b>(28)</b>
<b>Other recognised gains and (losses):</b>							
Loss on revaluation of fixed assets		-	-	-	-	-	(36)
Actuarial (losses)/gains on defined benefit pension scheme	24	-	-	-	3,787	3,787	(2,848)
<b>Net movement in funds</b>		<b>742</b>	<b>(460)</b>	<b>(744)</b>	<b>2,468</b>	<b>2,006</b>	<b>(2,712)</b>
Funds brought forward		3,952	3,843	14,528	(13,265)	9,058	11,770
<b>Funds carried forward</b>	21,22	<b>4,694</b>	<b>3,383</b>	<b>13,784</b>	<b>(10,797)</b>	<b>11,064</b>	<b>9,058</b>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2021**

**Balance Sheet**  
**As at 31 March 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	14	6,640	6,591
Investments	15	13,086	10,480
		<u>19,726</u>	<u>17,071</u>
<b>Current assets</b>			
Debtors	16	1,720	1,627
Cash at bank and in hand		5,656	4,607
		<u>7,375</u>	<u>6,234</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	17	(2,188)	(1,227)
<b>Net current assets</b>		<u>5,187</u>	<u>5,007</u>
<b>Total assets less current liabilities</b>			
		24,913	22,078
Provisions for liabilities and charges	18	(208)	(217)
<b>Net assets, excluding pension liability</b>		<u>24,705</u>	<u>21,861</u>
<b>Pension scheme liability</b>			
	25	(2,924)	(10,797)
<b>Net assets</b>		<u>21,781</u>	<u>11,064</u>
<b>Charity funds</b>			
Endowment Fund	22	-	13,784
Restricted income funds	22	4,164	3,383
Unrestricted funds	22	20,541	4,694
Pension reserve	22	(2,924)	(10,797)
<b>Total charity funds</b>	22, 23	<u>21,781</u>	<u>11,064</u>

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

20/9/21



David Robb  
Chair

Company Registration Number: SC312912

The notes on pages 28 to 46 form part of these financial statements

**Cash Flow Statement**

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

	<b>2021</b>	2020
	<b>£000</b>	£000
Net expenditure as per SOFA	2,276	(1,781)
<b>Adjustments for:</b>		
Gains/(losses) on investments	(2,699)	725
Loss on sale of fixed assets	137	2
Adjustment to pension costs	568	1,319
Depreciation charges	212	193
Decrease/(increase) in debtors	(93)	109
Increase in creditors	961	50
Interest and dividends	(321)	(368)
Release of provisions	(9)	-
<b>Net cash from/(used by) operating activities</b>	<b>1,032</b>	<b>249</b>
<b>Cash flows from investing activities</b>		
Dividends from investments	321	368
Purchase of tangible fixed assets	(702)	(87)
Proceeds of sale of tangible fixed assets	304	560
Purchase of investments	(2,500)	(4,229)
Proceeds of sale of investments	2,623	4,281
Transfer/(purchase) of fixed term deposits	-	(1,483)
<b>Net cash from/(used by) investing activities</b>	<b>46</b>	<b>2,376</b>
Change in cash and cash equivalents	<b>1,078</b>	2,625
Cash and cash equivalents at the beginning of the reporting period	<b>4,667</b>	2,042
Cash and cash equivalents at the end of the reporting period	<b>5,745</b>	4,667
<b>Analysis of cash and cash equivalents (note 26)</b>		
Cash at bank and in hand	<b>5,634</b>	4,585
Deposits – investments (note 15)	<b>111</b>	82
	<b>5,745</b>	4,667
<b>Reconciliation to cash per balance sheet</b>		
Cash at bank and in hand	<b>5,634</b>	4,585
Fixed term deposits – access greater than 3 months	<b>22</b>	22
<b>Cash per balance sheet</b>	<b>5,656</b>	4,607

## **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 child care 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 Directors is of the opinion that the charity 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 directors have prepared budgets and forecasts including a strategic plan through to 2024/25 which show no concerns with regards to the financial resilience of the organisation.

In the summer of 2021, there will be an easing of "lockdown" conditions in the UK. A challenging environment is still anticipated for fundraising, however the success in fundraising to augment the capacity of the AUAF augurs well and demonstrates what is capable when a tangible purpose is targeted. The financial statements 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 is anticipated to continue.

In order to corroborate this, management have gone through long term budget forecasting through to 2024/25. This was done utilising 3 scenarios for assumptions on service income; Optimistic, Realistic and Pessimistic. The assumptions included in each factored in aspects of growth already underway and the long-term impacts of this on overall Aberlour Income. Management have also included an element of income attrition, making forecasts more realistic, allowing for some income loss in certain areas. In all three scenarios, Aberlour shows strong growth potential.

While uncertainty exists, this is not to the extent that it casts doubt on the ability of Aberlour to continue, even in the worst-case scenario and under the "pessimistic" long term budgeting noted above, 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.

**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.

***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***

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

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

### **2 Accounting policies (continued)**

#### ***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***

The Endowment Fund was established with legacies and other funds donated to the orphanage at Aberlour. The Fund has since been credited with the proceeds of sale of the orphanage and other properties and has continued to increase on receipt of substantial legacies and donations. The Fund is invested in securities, property and cash deposits, and the income from these is used to support the activities of the company.

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

Designated funds of £478k represent the following: £36k Investment in Developing Fostering Services due to be spent in 21/22, £442k in service funding during 2021/22.

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 25.

#### ***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.



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

### **2 Accounting policies (continued)**

#### ***Pension costs***

The company participates 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.

#### ***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.

### **3 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:

- Actuarial assumptions in respect of the defined benefit pension scheme. In making these assumptions, advice has been taken from an independent qualified actuary. These assumptions are shown in note 25.
- 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.

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

**4 Income from charitable activities**

**2021**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Local authority and government funding	7,119	9,407	-	16,526	15,745
Receipts from service users	404	37	-	441	586
Receipts from other providers	-	-	-	-	166
	<b>7,523</b>	<b>9,444</b>	<b>-</b>	<b>16,967</b>	<b>16,497</b>

**2020**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Local authority and government funding	7,043	8,700	-	15,745	15,147
Receipts from service users	453	133	-	586	537
Receipts from other providers	122	46	-	166	181
	<b>7,618</b>	<b>8,879</b>	<b>-</b>	<b>16,497</b>	<b>15,865</b>

Included in Local Authority and Government Income is income from the Scottish Government comprising £910k (2020- £41k) including: for Urgent Assistance Funding in response to the COVID-19 Pandemic £422k (2020 - £nil); £50k (2020 £nil) specifically looking at Urgent Assistance Awards in relation to Debt Support; £85k (2020 - £41k) for Perinatal and Infant Mental Health Service in Forth Valley; £57k (2020- £68k) for South Ayrshire Family Support service; £51k (2020 - £50k) for Volunteering Service; £77k (2020 - £nil) for Glasgow Family Support Service from Wellbeing and Immediate Priorities Fund; £48k (2020 - £66k) for Glasgow Family Service through Aspiring Communities fund; £7k (2020 - £27k) for a secondment to a Scottish Government Task Force; £38k (2020 - £35k) for our Communities 2Gether Service through Investing in Communities; £85k (2020 - £nil) Share of emergency COVID-19 funding through the immediate priorities and wellbeing funds in relation to community services in Falkirk, Dumfries, Dundee, Elgin and Perth & Kinross.

**5 Donations and legacies**

**2021**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Big Lottery Fund	-	351	-	351	245
Donations	754	1,265	-	2,019	1,338
Legacies	7	6	-	13	38
	<b>761</b>	<b>1,622</b>	<b>-</b>	<b>2,383</b>	<b>1,621</b>

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

**5 Donations and legacies (continued)**

**2020**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Big Lottery Fund	-	245	-	245	223
Donations	616	722	-	1,338	1,144
Legacies	38	-	-	38	354
	<b>654</b>	<b>967</b>	<b>-</b>	<b>1,621</b>	<b>1,721</b>

Big Lottery Fund income comprised £141k (2020 - £137k) for our Perinatal Service in East Lothian, £15k (2020 - £57k) for South Ayrshire Family Support Service, £156k (2020 - £38k) for Digital Transformation, £33k for Sustain North Ayrshire (2020 - £nil) and £3k from Chance to Study (2020 - £13k) for our Smarter 2Gether service.

**6 Income from other trading activities**

**2021**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Events and sponsorship	-	-	-	-	1
Rental of surplus property	7	19	-	26	64
	<b>7</b>	<b>19</b>	<b>-</b>	<b>26</b>	<b>65</b>

**2020**

	<b>Unrestricted &amp; designated funds</b>	<b>Restricted funds</b>	<b>Endowment fund</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Events and sponsorship	-	1	-	1	1
Rental of surplus property	32	17	-	49	64
	<b>32</b>	<b>18</b>	<b>-</b>	<b>50</b>	<b>65</b>

Notes to the Financial Statements (continued)

7 Investment income

2021

	Government stocks	Equities & other	Total 2021	Total 2020
	£000	£000	£000	£000
United Kingdom	70	143	213	277
Overseas	-	108	108	91
	<b>70</b>	<b>251</b>	<b>321</b>	<b>368</b>

2020

	Government stocks	Equities & other	Total 2020	Total 2019
	£000	£000	£000	£000
United Kingdom	30	247	277	229
Overseas	-	91	91	108
	<b>30</b>	<b>338</b>	<b>368</b>	<b>337</b>

8 Other income

2021

	Unrestricted & designated funds	Restricted funds	Endowment fund	Total 2021	Total 2020
	£000	£000	£000	£000	£000
Other	2	-	-	2	74
	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>74</b>

2020

	Unrestricted & designated funds	Restricted funds	Endowment fund	Total 2020	Total 2019
	£000	£000	£000	£000	£000
Other	60	14	-	74	30
	<b>60</b>	<b>14</b>	<b>-</b>	<b>74</b>	<b>30</b>

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

**9 Expenditure on charitable activities**

**2021**

	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children and families affected by disability	5,167	263	5,430	5,559
Children and families affected by drugs and alcohol	165	9	174	149
Early years	1,978	101	2,079	2,073
Early intervention and prevention	10,510	535	11,045	9,807
Losses on sale of fixed assets	53	-	53	2
Defined benefit pension costs (note 25)	568	-	568	1,319
	<b>18,441</b>	<b>908</b>	<b>19,349</b>	<b>18,907</b>

**2020**

	<b>Activities undertaken directly</b>	<b>Support costs</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Children and families affected by disability	5,258	301	5,559	5,477
Children and families affected by drugs and alcohol	139	8	149	173
Early years	1,961	112	2,073	2,074
Early intervention and prevention	9,283	524	9,807	9,503
Losses on sale of fixed assets	2	-	2	70
Defined benefit pension costs (note 25)	1,319	-	1,319	635
	<b>17,962</b>	<b>945</b>	<b>18,907</b>	<b>17,932</b>

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

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

The support costs can be analysed as follows:

**2021**

	Children and families affected by disability	Children and families affected by drugs and alcohol	Early Years	Early Intervention	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000
<b>Support costs</b>						
Operations, management & support	105	3	40	214	362	379
People & quality	70	2	27	143	242	252
Finance, IT & resources	53	2	21	107	183	188
Governance costs	35	1	14	71	121	126
	<b>263</b>	<b>8</b>	<b>102</b>	<b>535</b>	<b>908</b>	<b>945</b>

**2020**

	Children and families affected by disability	Children and families affected by drugs and alcohol	Early Years	Early Intervention	Total 2020	Total 2019
	£000	£000	£000	£000	£000	£000
<b>Support costs</b>						
Operations, management & support	121	3	45	210	379	362
People & quality	80	2	30	140	252	241
Finance, IT & resources	60	2	22	104	188	183
Governance costs	40	1	15	70	126	120
	<b>301</b>	<b>8</b>	<b>112</b>	<b>524</b>	<b>945</b>	<b>906</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 2021

Notes to the Financial Statements (continued)

10 Expenditure on raising funds

	Total 2021 £000	Total 2020 £000
Donations and legacies	284	352
Fundraising events and sponsorship	429	363
Investment manager's fees	60	44
	<u>773</u>	<u>759</u>

11 Transfers between funds

2021	Unrestricted & Designated Funds £000	Endowment Funds £000
Transfers to unrestricted funds (see note 23)	15,968	(15,960)
	<u>15,968</u>	<u>(15,968)</u>

2020

	Unrestricted & Designated Funds £000	Restricted Funds £000
Transfers from unrestricted funds	(285)	285
	<u>(285)</u>	<u>285</u>

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

12 Staff costs

	Total 2021 £000	Total 2020 £000
Salaries	12,262	11,753
Social security costs	1,033	953
Employer's pension costs	986	908
Pension scheme net debit recognised (Note 25)	316	982
Redundancy, settlement and ex-gratia payments	34	38
	<u>14,631</u>	<u>14,634</u>

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

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

**12 Staff costs (continued)**

Included in salaries are redundancy payments of £34,157 (2020: £37,590). There was no settlement payment made during this period (2020 - £nil).

One Director was reimbursed for travel costs totalling £86 for the year (2020: £238 reimbursed to four Directors).

Number of employees who received remuneration exceeding £60,000:	2021	2020
Between £60,000 and £70,000	5	5
Between £70,001 and £80,000	1	-
Between £80,001 and £90,000	1	1

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

Valerie Surgenor, a member of the Board, is a partner in MacRoberts LLP. Aberlour engaged MacRoberts LLP during the year to provide legal advice costing £15,266 (2020: £4,339). After an open selection process, MacRoberts LLP were also paid for a seconded staff member to look specifically at gathering evidence in relation to the Historic Abuse Inquiry costing £nil (2020: £nil).

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 2021 comprised 7 members of staff (2020: 7). The total remuneration of the Senior Leadership Team for the period was £635K (2020: £576K). The terms and conditions relating to this group of employees is consistent to the wider workforce.

	2021	2020
Average number of FTE employees during the year	Number	Number
Operational	237	236
Administrative & support	75	68
Management	79	76
	<u>391</u>	<u>380</u>

	2021	2020
Average number employees during the year	Number	Number
Operational	288	281
Administrative & support	102	82
Management	80	90
	<u>470</u>	<u>453</u>

**13 Audit and accountancy fees**

	2021	2020
	£000	£000
Audit services	20	18
	<u>20</u>	<u>18</u>



**Aberlour Child Care Trust**  
**For the year ended 31 March 2021**

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

**14 Tangible fixed assets**

**2021**

	Land and buildings £000	Fixtures and fittings £000	Vehicles £000	Computer equipment £000	Total £000
<b>Cost / valuation</b>					
Balance at 1 April 2020	6,966	-	419	6	7,391
Additions	633	11	58	-	702
Disposals	(503)	-	(31)	-	(534)
<b>Balance at 31 March 2021</b>	<b>7,096</b>	<b>11</b>	<b>446</b>	<b>6</b>	<b>7,559</b>
<b>Depreciation</b>					
Balance at 1 April 2020	469	-	327	4	800
Charge in year	151	2	58	1	212
Disposals	(62)	-	(31)	-	(93)
<b>Balance at 31 March 2021</b>	<b>558</b>	<b>2</b>	<b>354</b>	<b>5</b>	<b>919</b>
<b>Net book value:</b>					
31 March 2020	6,497	-	92	2	6,591
<b>31 March 2021</b>	<b>6,538</b>	<b>9</b>	<b>92</b>	<b>1</b>	<b>6,640</b>

Included in land and buildings is land of £1,433k (2020 - £1,583k) which is not depreciated. Both land and buildings were revalued at 28 March 2017 by an independent valuer, DM Hall Chartered Surveyors on an open market basis for existing use. Land and buildings at historic cost had a cost of £5,055k (2020 - £5,158k) accumulated depreciation of £852k (2020 - £790k) and net book value of £4,203k (2020 - £4,369k) at 31 March 2021.

**2020**

	Land and buildings £000	Fixtures and fittings £000	Vehicles £000	Computer equipment £000	Total £000
<b>Cost / valuation</b>					
Balance at 1 April 2019	7,537	10	573	3	8,123
Additions	29	-	55	3	87
Disposals	(600)	(10)	(209)	-	(819)
Reversal of revaluation	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>6,966</b>	<b>-</b>	<b>419</b>	<b>6</b>	<b>7,391</b>
<b>Depreciation</b>					
Balance at 1 April 2019	376	10	455	3	844
Charge in year	111	-	81	1	193
Disposals	(18)	(10)	(209)	-	(237)
<b>Balance at 31 March 2020</b>	<b>469</b>	<b>-</b>	<b>327</b>	<b>4</b>	<b>800</b>
<b>Net book value:</b>					
31 March 2019	7,161	-	118	-	7,282
<b>31 March 2020</b>	<b>6,497</b>	<b>-</b>	<b>92</b>	<b>2</b>	<b>6,591</b>

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

**15 Investments**

	2021	2020
	£000	£000
<b>Quoted investments:</b>		
Market value at 1 April	10,398	11,170
Acquisitions at cost	2,500	4,229
Disposals	(2,465)	(4,225)
Unrealised gains/(losses)	2,542	776
Market value at 31 March	<u>12,975</u>	<u>10,398</u>
Historical cost at 31 March	10,176	10,141
Accumulated unrealised gains	2,799	257
Market value at 31 March	<u>12,975</u>	<u>10,398</u>
United Kingdom	9,133	7,900
Overseas	3,842	2,498
Cash held for reinvestment	111	82
Market value at 31 March	<u>13,086</u>	<u>10,480</u>
Government stocks	664	1,002
Equities and other investments	12,311	9,396
Cash held for reinvestment	111	82
Market value at 31 March	<u>13,086</u>	<u>10,480</u>

**16 Debtors**

	2021	2020
	£000	£000
Grants and fees	1,398	1,197
Taxation recoverable	43	20
Other debtors	133	108
Accrued income	146	302
	<u>1,720</u>	<u>1,627</u>

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

**17 Creditors**

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Amounts falling due within one year:</b>		
Trade creditors	154	90
Funding agencies - deferred income	1,264	649
Other creditors	367	125
Other taxation and social security	271	244
Pension creditor	132	119
	<u>2,188</u>	<u>1,227</u>
<b>Deferred income</b>		
Opening balance: Funding received in advance	649	589
Released in the period	(649)	(589)
Deferred during the period	1,264	649
Closing balance: Funding received in advance	<u>1,264</u>	<u>649</u>

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.

**18 Provisions for liabilities**

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Property dilapidation costs:</b>		
At 1 April 2020	217	217
Increase in provisions during year	-	-
Released to the Statement of Financial Activities	(9)	-
At 31 March 2021	<u>208</u>	<u>217</u>

**19 Financial Instruments**

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Financial assets:</b>		
Financial assets measured at fair value	12,975	10,398
Financial assets measured at amortised cost	7,444	6,296
	<u>20,308</u>	<u>16,694</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>653</u>	<u>333</u>

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

Financial assets measured at amortised cost include cash at bank and in hand, cash held for investment, grants and fees debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost include trade creditors, other creditors and pension creditor.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2021**

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

**20 Operating lease commitments**

	2021 £000	2021 £000	2020 £000	2020 £000
	Land & buildings	Other	Land & buildings	Other
<b>Amounts payable under non-cancellable operating leases:</b>				
Within one year	185	31	254	40
In two to five years	249	94	360	57
<b>Total obligations</b>	<b>434</b>	<b>125</b>	<b>614</b>	<b>97</b>

Operating lease rentals charged as an expense during the year totalled £227k (2019 – £269k).

**21 Rental income under operating leases**

At 31 March 2021 the charity had future minimum lease income under non-cancellable operating leases as follows:

	2021 £000	2020 £000
	Buildings	Buildings
within one year	8	11
In two to five years	-	-
	<b>8</b>	<b>11</b>

**22 Analysis of net assets between funds**

31 March 2021	Investments £000	Tangible fixed assets £000	Net current assets £000	Provisions £000	Pension fund deficit £000	Total £000
Endowment fund	-	-	-	-	-	-
Restricted funds	-	92	1,143	-	-	1,235
Restricted fund – AUAF	1,686	-	552	-	-	2,238
Restricted fixed asset reserve	-	691	-	-	-	691
Designated	-	-	478	-	-	478
Unrestricted funds	11,400	5,857	3,014	(208)	-	20,063
Pension reserve	-	-	-	-	(2,924)	(2,924)
	<b>13,086</b>	<b>6,640</b>	<b>5,187</b>	<b>(208)</b>	<b>(2,924)</b>	<b>21,781</b>

Restricted funds of £4.5m in total comprise the following: £1.7m value of asset portfolio in relation to the Aberlour Urgent Assistance Fund (AUAF); Further £0.5m in relation to AUAF which will be distributed in emergency grants during 20/21; £0.7m in relation to Restricted grants for fixed assets; remaining £1.6m relates to restricted funds across 39 services in various locations across Aberlour. Of these balances only 2 are above £100k individually, both in relation to the Intensive Family Support Services in Dumfries & Galloway.

**Aberlour Child Care Trust**  
**For the year ended 31 March 2021**

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

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

31 March 2020	Investments	Tangible fixed assets	Net current assets	Provisions	Pension fund deficit	Total
	£000	£000	£000	£000	£000	£000
Endowment fund	9,109	4,254	421	-	-	13,784
Restricted funds	-	97	1,257	-	-	1,354
Restricted fund – ALMF	1,371	-	-	-	-	1,371
Restricted fixed asset reserve	-	658	-	-	-	658
Designated	-	-	489	-	-	489
Unrestricted funds	-	1,582	2,840	(217)	-	4,205
Pension Reserve	-	-	-	-	(10,797)	(10,797)
	<b>10,480</b>	<b>6,591</b>	<b>5,007</b>	<b>(217)</b>	<b>(10,797)</b>	<b>11,064</b>

**23 Analysis of charitable funds**

	Balance at 1 April 2020	Income	Expenditure	Gains/ (losses)	Transfers (note 11)	Funds at 31 March 2021
Unrestricted funds	4,694	8,573	(8,694)	-	15,968	20,541
Restricted funds	3,383	11,126	(10,694)	349	-	4,164
Endowment fund	13,784	-	(166)	2,350	(15,968)	-
Pension fund	(10,797)	-	(568)	8,441	-	(2,924)
	<b>11,064</b>	<b>19,699</b>	<b>(20,122)</b>	<b>11,140</b>	<b>-</b>	<b>21,781</b>

**2020**

	Balance at 1 April 2019	Income	Expenditure	Gains/ (losses)	Transfers (note 11)	Funds at 31 March 2020
Unrestricted funds	3,952	8,687	(7,660)	-	(285)	4,694
Restricted funds	3,843	9,923	(10,573)	(95)	285	3,383
Endowment fund	14,528	-	(114)	(630)	-	13,784
Pension fund	(13,265)	-	(1,319)	3,787	-	(10,797)
	<b>9,058</b>	<b>18,610</b>	<b>(19,666)</b>	<b>3,062</b>	<b>-</b>	<b>11,064</b>

In this financial year OSCR provided approval to allow reclassification of the former "Endowment Fund" within Restricted Reserves which will allow inclusion of these monies as Unrestricted Reserves. A transfer was made between these reserves on 31 March 2021.

**24 Contingent liabilities**

Following the legislation for a national Financial Redress Scheme receiving Royal Assent, discussions commenced with civil servants from Scottish Government to fully understand the implications for Aberlour. These discussions are ongoing. Many arrangements are anticipated to be operational in 2021 and the Board will be required to decide the extent of Aberlour's involvement once all factors are known.

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

**25 Pension scheme liability**

**Defined benefit superannuation scheme**

Aberlour participates in the Local Government Pension Scheme, a defined benefit superannuation scheme, under arrangements with the North East Scotland Pension Fund (the Fund), previously named Aberdeen City Council Pension Fund. The scheme is a multi-employer scheme. The assets are held separately from those of the company.

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

Contributions of £132k (2020: £119k) were outstanding at the year end.

**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, John A Livesey 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 31 March 2021.

The main assumptions used in the actuarial calculations are:

	<b>31 March 2021</b>	31 March 2020
Rate of salary increases (% per annum)	<b>2.00%</b>	4.0%
Rate of pension increase (% per annum)	<b>2.80%</b>	2.0%
Discount rate (% per annum)	<b>2.05%</b>	2.4%
Inflation rate (% per annum)	<b>2.80%</b>	2.0%

**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 2021 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>2021</b></u>	<u><b>2020</b></u>
<b>Retiring 31 March 2021</b>	Males	<b>21.5</b>	21.5
	Females	<b>24.2</b>	24.2
<b>Retiring in 20 years</b>	Males	<b>23.1</b>	23.1
	Females	<b>26.3</b>	26.3

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

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

	<b>2021</b>	2020
	<b>£000</b>	£000
Fair value of scheme assets	<b>70,715</b>	<b>52,528</b>
Present value of funded obligations	<b>(73,639)</b>	<b>(63,325)</b>
Net liability in the balance sheet	<u><b>(2,924)</b></u>	<u><b>(10,797)</b></u>

**Aberlour Child Care Trust**  
**For the year ended 31 March 2021**

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

**25 Pension scheme liability (continued)**

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

	2021	2020
	£000	£000
Opening fair value of scheme assets	52,528	54,556
Interest on plan assets	1,252	1,380
Remeasurements	17,644	(2,555)
Administration expenses	(13)	(12)
Contributions by employer	659	608
Contributions by scheme participants	209	186
Estimated benefits paid (net of transfers in)	(1,584)	(1,635)
Closing fair value of scheme assets	<u>70,715</u>	<u>52,528</u>

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

	2021	2020
	£000	£000
Opening defined benefit liability	(63,325)	(67,821)
Current service cost	(959)	(1,084)
Interest cost	(1,504)	(1,717)
Effect of curtailments	(3)	-
Actuarial gains/(losses)	12,732	6,213
Past service costs (gain)	-	(494)
Experience gains	3,509	129
Estimated benefits paid (net of transfers in)	1,584	1,635
Members contributions	(209)	(186)
Closing defined benefit liability	<u>(73,639)</u>	<u>(63,325)</u>

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

	2021	2020
	£000	£000
Share of deficit in scheme at beginning of the year	(10,797)	(13,265)
Movement in year:		
Current service cost	(959)	(1,084)
Administrative expense	(13)	(12)
Contributions	659	608
Net interest cost	(252)	(337)
Effect of curtailments	(3)	-
Past service cost/(gain)	-	(494)
Experience gains	3,509	129
Actuarial (losses)/gains	4,932	3,658
Share of deficit in scheme at end of the year	<u>(2,924)</u>	<u>(10,797)</u>

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

**25 Pension scheme liability (continued)**

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

	2021	2021	2020	2020
	£000	£000	£000	£000
Current service costs	(959)		(1,084)	
Contributions	659		608	
Past service cost	-		(494)	
Curtailments	(3)		-	
Administrative expense	(13)		(12)	
		(316)		(982)
Interest on plan liabilities	(1,504)		(1,717)	
Interest on plan assets	1,252		1,380	
		(252)		(337)
<b>Total</b>		<b>(568)</b>		<b>(1,319)</b>

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

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Defined benefit obligation	(73,639)	(63,325)	(67,821)	(61,156)	(62,525)
Scheme assets	70,715	52,528	54,556	51,174	51,013
Deficit	(2,924)	(10,797)	(13,265)	(9,982)	(11,512)
Experience adjustments to scheme liabilities	12,732	(6,213)	5,383	3,473	-
Experience adjustments to scheme assets	17,664	(2,555)	2,735	(688)	7,477

**26 Analysis of changes in net debt**

**Cash and cash equivalents**

	At 1 April 2020	Cash flows	Other non-cash changes	At 31 March 2021
	£000	£000	£000	£000
Cash at bank and in hand	4,585	1,049	-	5,634
Deposits – investments	82	29	-	111
<b>Total</b>	<b>4,667</b>	<b>1,078</b>	<b>-</b>	<b>5,745</b>