Aberlour Child Care Trust

Annual Report and Financial Statements

Year ended 31 March 2023

Company Number SC312912 **Scottish Charity Number SC007991**

Contents

Charity Information

Chief Executive
SallyAnn Kelly OBE

Company Secretary
John Coe (appointed 14 December 2022)
Ian Black (resigned 14 December 2022)

Charity Number
SC007991

Company Number
SC312912

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Chair’s Foreword

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

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

That growth in service delivery was demonstrated during the year in the opening of the first of two Mother & Child Recovery houses, where service delivery has been funded by the Scottish Government to 2026. The first house situated in Dundee opened in December 2022, with plans to open a second house within the 2023/24 financial year in another local authority within the central belt. This service sees Aberlour return to the area of work in residential rehabilitation and recovery, with a new model of support for mum’s who have problematic alcohol and drug use. The aim of the service is to prevent drug deaths and avoid children being taken into care by keeping families together. The Board of Trustees are fully supportive of this new and exciting piece of work and are kept informed of progress on growth in services like this one through our various committees and Board meetings throughout the year.

Our overall financial performance in the current year is better than we had anticipated, and while the accounts show a bottom-line deficit, this was a planned use of reserves which had been budgeted for. Analysis of the financial performance of the organisation is overseen by the Finance Committee, who report back to the full Board on a regular basis.

Aberlour’s work in relation to improving its services, and the recording of impact and outcomes for the people we support has been further enhanced this year, with the integration and greater use of digital technology and reporting through Dynamics and use of tools such as PowerBI. Our Transforming Together committee have been at the forefront of leading these improvements which have seen benefits across the whole organisation.

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

During the year our Investment Committee undertook a re-tender process for our investment managers, to ensure we are getting the best service and value in the management of our investment portfolios. Quilter Cheviot were retained as investment managers following this process, and my thanks go to the Committee and Senior Leadership Team for completion of this process.

One of Aberlour’s long-term organisational risks, in relation to our Defined Benefit pension arrangements through the North East Scotland Pension Fund (NESPF), was concluded this year. Our active scheme membership had ended in July 2022 and a deferred debt arrangement was entered into. However, in November 2022 fluctuations within final fund valuations moved favourably, which allowed Aberlour to ask for a termination valuation to be carried out. The results of this meant that Aberlour were able to exit the fund entirely with no remaining liabilities. This has removed the payment of the defined benefit pension deficit from Aberlour’s long-term risk profile as well as from future years’ accounts. Necessary accounting adjustments and final valuation figures to show this will be reflected in these financial statements and notes to the accounts. I am grateful to the Senior Leadership Team, their advisers and to past and present members of the Board for their sensitivity and support throughout this exercise.

This year, Aberlour has continued to lead in our campaign work and in challenging those in positions of power or influence, where the rights of children and families are not being upheld. This was demonstrated in our campaign work around poverty and in particular our focus on eliminating school meal debt. Research was commissioned by Aberlour and carried out through Heriot Watt University, which showed over £1.2m of debt had been accrued and was being chased by Local Authorities through debt collection processes, often involving families who could least afford to repay this. As a result, children were found to be going without food during school, and often primary school meal debt is following that child through to secondary school.

Chair’s Foreword (continued)

Aberlour has been successful in highlighting this issue and, working with partners, campaigning for Local Authorities to write this debt off. At the time of writing the report 12 local authorities have done so with more Local Authorities considering their positions. Generous donations were also received from individual donors following this campaign work to alleviate this problem.

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

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

Unfortunately, the changing economic situation meant that our Aberlour Urgent Assistance Fund (AUAF) maintained a high level of demand across Scotland throughout the year, so much so that we had to close applications to the fund in the Summer of 2022 as the fund had been depleted early in the financial year. We were able to re-open the fund in November 2022 following the launch of a very successful Winter Fundraising Campaign, focusing on alleviating poverty through direct awards to families to help them through the winter months. Significant monies were gratefully received from grant-making charitable trusts, as well as compassionate individual donors, which boosted our ability to make a high number of awards to families in need.

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

Finally, with global issues very much to the fore at present, Aberlour prides itself on always “being-there” for vulnerable children in Scotland, no matter where they come from - this has been shown in the increase in our work with Unaccompanied Asylum-Seeking Children. Numbers accessing our Guardianship service, in partnership with the Scottish Refugee Council, have doubled since 2021 and we are now working with Local Authorities who have taken on responsibility for young people through the UK Government’s national transfer scheme. Aberlour also continues to work with an increasing number of Ukrainian families and children displaced by the ongoing war in their country. Unfortunately, the need for these services continues to rise, however Aberlour will do all it can to help these children and families while they are here in Scotland.

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

DAVID ROBB,
CHAIR

Chief Executive's Report

I am delighted to share the progress Aberlour has made in 2022/23. Rising to the challenges posed in coming out of the covid pandemic, continued global financial and political uncertainty, as well as one of the greatest cost of living crises in living memory, we were able to deliver on our ambitious plans to reach more children, young people, and families.

We continued to follow our Being Brave Strategy (2021-25). This was the result of extensive consultation with children, young people, and families, our service based and central function staff and the Board of Trustees. The strategy sets out our aims to advance our fight against poverty and discrimination and to support more children and families across diverse communities.

The year continued to bring unprecedented economic uncertainty and financial hardship for families, particularly during the Winter months of 2022 into early 2023. Gas and electricity price rises due to the fallout from the war in Ukraine, as well as rising inflation and instability in mortgage markets all hit at once, taking their toll on family budgets and their ability to sustain themselves through Winter. Our focus remained on how to alleviate some of these hardships through our Family Support services and by distributing emergency cash grants via our Urgent Assistance Fund. Demand for the AUAF was such that it had to temporarily close during the Summer of 2022, however we launched a successful fundraising campaign and re-opened the fund in November 2022, so that we could be there to help those families in the greatest need. From November 2022 we raised over £461k, distributing over £254k in the year with the remaining donations able to fund awards to distribute in 23/24. This funding went directly to families most in need for essential items such as food, clothing, and heating.

This year saw Aberlour continue to utilise our improvements in Digital technology to enhance our ways of working and supporting families. Our Digital Transformation Programme continued in the year with improvements in our recording and reporting of how we supported families, using digital platforms to keep relationships strong and provide accurate records for those in our care. Some of our staff are now able to work flexibly from home, utilising our digital improvements in communication and systems offering a better work-life balance where work allows, while still meeting the needs of our children, families, and funders.

We continued to grow our portfolio of services, informed by the voices of our children and families. This has included the further expansion of our Sustain Intensive Family Support Services and the opening of a new Mother & Child recovery House in Dundee, for women affected by drug and alcohol misuse and their babies. Our children's residential services continue to perform well offering high quality and trauma informed care.

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

We have continued speaking truth to power. We have been bold in our campaigning and persistent in our influencing. Our winter campaign was our most successful campaign in recent years in raising much needed funding for families, through our Urgent Assistance fund. We also commissioned research focusing on the impact of public debt on families and in particular the impact of School Meal Debt. This was presented to the Scottish Government and helped to influence many local authorities writing-off school meal debt for families.

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

Chief Executive's Report (continued)

Delivering services to children and families

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

- Expansion of our Sustain family support services to 7 local authorities. This includes strengthening our service provision in Glasgow City Council through our Intensive and Early Intervention services.
- Ongoing development of the Scottish Guardianship service culminating in our successful result of the tender in partnership with the Scottish Refugee Council to provide support to young people in Scotland going through the asylum process.
- Continued growth to support the National Transfer Unaccompanied Asylum-Seeking Children, in partnership with the Scottish Refugee Council across Scotland and in particular with Highland Council.
- Children's residential services – continued to deliver quality outcomes for children and young people in our Sycamore Fife, and Tayside services. Our Highland Sycamore residential services secured continuation funding to allow it to undertake service redesign to better meet the needs of young people.
- In Dumfries and Galloway our Communities2gether services continued to deliver fantastic support to local families and communities from our hub in Lincluden House, Dumfries.
- Our Promise systems change work focused on reducing restraint in residential care and improving family's financial wellbeing.
- Growth in the number of foster carers we have and in turn the number of foster placements we were able to offer children requiring long term and short break foster care.

Business Development

Our achievements in service delivery have been enabled by another outstanding year for our business development team which has achieved 87% success rate for development opportunities (across tenders and strategic funding applications). This success is testament to the quality of the services we deliver. Key achievements include:

- Successful in winning the tender for Scottish Guardianship service in partnership with Scottish Refugee Council (£2.97m over 3 years). This partnership provides independent Child Trafficking Guardians to all unaccompanied asylum-seeking children and victims of trafficking who arrive in Scotland.
- Expanding our Promise work – securing funding to explore changing the system of moving on support for care leavers in the Highlands and East Renfrewshire.
- Retaining the tender for short breaks disability and outreach services in South Ayrshire (£3.4m over 5 years), helping families where a child has a disability, providing support and short breaks to children with complex physical and health needs.
- Retaining the tender for our Youthpoint service in Moray (£1.1m over 3 years), providing support to young people who struggle with their emotions, behaviour and well-being and may be at risk of exclusion from school or feel they have no-one to turn to for help.

Challenges Faced

The year also brought its challenges for the charity. Our staff and families we support continued to feel the effects of the rising cost of living, particularly through the winter months of 2022/23. Aberlour tried to alleviate some of that pressure on our staff by ensuring a fair pay uplift for all, which was targeted to impact those on lower salary bands. Our Board of Trustees also took the decision to help staff with a Winter Payment to try and alleviate some of the pressures faced. This was well received by staff members.

Chief Executive's Report (continued)

Our Urgent Assistance Fund had to pause operations three months into the new financial year as we had depleted annual allocation of funds available for distribution. We re-opened the fund in November 2022, due to a successful boost from our fundraising campaign, highlighting the impact of poverty on families in Scotland and that through the AUAF, the public could help alleviate some of this hardship. We would, however, have liked to have done more here when families needed help the most, as we did not see any reduction in the level of poverty or asks for essentials to help families, such as food clothing and bedding.

Staff recruitment continued to be a challenge faced by our sector in various regions across Scotland. This was particularly apparent in our disability respite services in Fife and the Scottish Borders. We continued to try various methods of recruitment and encouraged our staff teams and HR colleagues to think creatively, utilising, in-person events, local flyers, online advertising and engagement events as well as our usual recruitment avenues. This creativity did pay off in helping to fill long-term staffing vacancies for services in Lothians and in Aberdeen, which previously had been difficult to fill.

Public and School Meal Debt

During the year Aberlour commissioned research on the extent of school meal debt owed by families across Scotland's Local Authorities. The research, which was carried out by Professor Morag Treanor from the Institute of Social Policy, Housing, Equalities Research at Heriot-Watt University, found that over £1.2m of debt was owed by nearly 25,000 families with children in their final years of primary school. Many of these debts following on to secondary school with the children.

The research noted income thresholds for free school meals had barely risen on the last twenty years, which meant low-income families are gradually being excluded and fewer children are eligible for free school meals than they were twenty years ago.

Aberlour raised awareness of this issue and successfully highlighted it with local authorities, some of which have since taken steps to write this debt off.

In March 2023, Aberlour held an event for Debt Awareness Week, in relation to the impact public debt has on low-income families and the role it plays in trapping families in poverty. Research by Professor Morag Treanor was also used here to focus on the nearly 80,000 families in Scotland who are having their incomes reduced by on average £80 per month to repay these debts, which are leading to families having to make their monthly budgets stretch even further.

These important pieces of work on public and school meal debt have allowed Aberlour to have those difficult conversations with those in power at local, and national government level and has helped us to advocate on behalf of families and children who are facing these issues every day.

Child Poverty

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

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

Chief Executive's Report (continued)

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

UNCRC

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

Education and Learning

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

SallyAnn Kelly OBE,

Chief Executive

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

The Trustees present their report and financial statements for the year ended 31 March 2023. These have been prepared in accordance with UK Generally Accepted Accounting Practice, the requirements of the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Companies Act 2006 and the Charities SORP (FRS102).

Structure, Governance and Management

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

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

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

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

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

The Trustees who held office since 1 April 2022 are listed on page 1.

Key Management

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

Overview

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

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

We continue to promote the availability of the Aberlour Urgent Assistance Fund, which was created following the one-off donation from St Clair's Trust of £1,325k in 2015/16. In 2022/23 the value of the investment portfolio purchased with the donation received, stood at £1,435k (2021/22 - £1,591k). Income in 2022/23 totalled £608k (2021/22 - £761k), of which £407k (2021/22 - £1324k) 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 the capacity of AUAF. This and focused, successful fundraising campaigns have increased grant-making capacity allowing more need to be met in increasingly difficult circumstances. Our Winter Fundraising Campaign which ran from November 2022, was focused on relieving poverty through the Urgent Assistance Fund with income raised from that campaign totalling over £461k, adding to the available funds to distribute through the AUAF.

Monies received from bequests and legacies totalled £13k (2021/22 - £12k) which improved Unrestricted Reserves funds.

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

We continue to adapt organisational structures to improve efficiency to help meet future challenges, focussing on building a sustainable future. We regularly review our cost base with non-operational assets being sold and co-locating services and regional offices.

Aberlour seeks to influence national policy for children and young people, ensuring they are at the heart of decision making processes of National and Local Government. We have embedded our volunteering strategy and have 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 in the third sector. Aberlour continues delivering quality services, seeking new opportunities to grow our business. We collaborate with other charities and key stakeholders where this offers best value, reduces unnecessary duplication, and shares scarce resources.

Vision and Services

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

We have delivered and invested in: -

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

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

- Information, training and leisure activities for young people living in areas of social deprivation, crime, drug or alcohol dependency and gang cultures in challenging estates in urban areas;
- Facilities to promote positive parenting, early years learning and social skills within vulnerable and disadvantaged families;
- Innovative support networks for women affected by poor mental health in perinatal stages; and,
- Training and education for childcare professionals to build and sustain a competent and confident workforce.
- First of two Mother & Child Recovery houses, continuing our commitment to supporting women and children affected by substance abuse.

ACHIEVEMENTS AND PERFORMANCE

Investing in our People

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

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

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

Our annual one-day Staff Conference is a forum for staff consultation, celebrating successes in the contribution of our staff in the lives of the young people and families we support, but also considers developments in childcare and events that will shape childcare policy going forward. The day is shared with staff, young people, board members, invited guests – and the outside world through social media channels. The event is valuable at many levels and is an annual fixture. We hosted our hybrid online and in-person staff conference in October 2022, with special guest speakers including award winning author Darren McGarvey on the impacts of poverty in Scotland, and Darren Laverty with a specific focus on personal financial wellbeing advice and guidance.

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

Consistent with organisational values, we place great importance on employee training and development as a means of ensuring quality assurance and high standards. During 2022/23 there were 6,509 Learning Activities completed by staff, with 3931 e-learning/workbook completions, and 2,578 attendances at face-to-face courses (delivered either online or in person).

In total 489 courses were delivered, covering 186 different course headings, broadly categorised as Safeguarding, Health and Safety, Direct Practice and Management Development. 175 were externally delivered and 315 were delivered internally by the L&D Team with assistance from operational staff.

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

The total number of attendances has increased from last year, partly due to some new areas that we began to develop, namely:

- Domestic Abuse Workplace Policy Training
- Chronology Training
- An increased ranged of Drug Awareness e-learning
- An increased range of Autism e-learning

Staff absence rate was 5.53%% in 2022/23 compared to 4.95% for 2021/22. Covid related absences have decreased from prior year, however, there have been greater levels of stress and anxiety related absences in 22/23. Increases in Stress and anxiety in early 2022, correlated with the lifting of COVID-19 restrictions, however, there have also been some staffing recruitment challenges in our disability services, which has also contributed to staff absence due to stress and anxiety.

Staff turnover was 22.73% in 2022/23, compared to 25.11% in 2021/22, with 19.34% leaving the organisation voluntarily. Staff recruitment and retention has remained stubbornly difficult, in particular within our disability services. However, Aberlour has continued its growth strategy during the year and opened 5 new service provisions of varying sizes increasing our overall average headcount by around 12%.

Aberlour annually conduct gender pay gap reporting. For April 2022 we reported a 5.33% mean pay gap against a national average of 14.9%. As per legal requirements the report is published in full on our website.

Investing in our Services

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

- We invest in development, quality assurance and maintenance programmes for our services, which (where appropriate) we recognise as being home for the children and young people in our care.
- Our long-standing residential care provision in Fife, Tayside and the Highlands for young people who have experienced significant early adversity and trauma remain central to the organisation.
- Aberlour, in partnership with Hillcrest Housing Association, invested in the refurbishment and opening of opening of the first of two Mother & Child Recovery Houses, specifically aimed at mum's with substance use issues to remain with their children (under 5) in a residential rehabilitation setting with outreach community support pre and post residential stays.
- We develop and promote our perinatal mental health services supporting women, children and their families with an innovative befriending model, operational in Forth Valley and East Lothian and more recently in the neo-natal ward at the Royal Hospital for Children & Young People in Edinburgh.

KEY PERFORMANCE INDICATORS

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

Sustainability

- It was aimed to maintain public funding above £16.4M. This target was exceeded by achieving £24.4M.
- It was targeted to reduce staff turnover by 5% from 25.3% over two years. Although a reduction to 22.7% was achieved, the target was missed by 2.7%. This reflects the difficulties in this area.

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

Impact

- To demonstrate the impact Aberlour has on the young people in our care, a KPI of 80% is set for the SHANARRI indicators to show overall as a status of "maintaining" or "improving". This target was exceeded, with an aggregate score of 89% being achieved.

Quality

- To demonstrate the quality of Services, a KPI has been set for services to achieve a Care Inspectorate overall score of four or more. This has generally been achieved; with 5 inspections taking place within the last year only one of which was not at an overall average of grade 4 or above.
- Aberlour aims to achieve a staff satisfaction score of 90% or above. There were staff surveys carried out during the Investors in Diversity accreditation work, where overall staff satisfaction scores averaged 94%.

Growth

- We targeted a 20% increase in overall revenue by 2025, from a base level of 2020/21. Performance has been strong, with a revenue increase of 40% already achieved at the end of 2022/23.

- An increase in fostering and residential numbers to 88 placements by 2025 was targeted. This total has reach 91 placements at the end of March 2023, already achieving the target KPI.

QUALITY & CARE STANDARDS

There were 28 registered services between within 2022/23. There were 6 published inspections during this period. The combined average grade is 4 (3.8). The mode grade is also 4, which is considered Good by the Care Inspectorate.

Of the three services inspected which had previously been inspected, two maintained their grades and one deteriorated. This service has been reinspected and the inspection report is likely to show an improved grade. All previous actions have been addressed, including provision of play training for staff.

Thirty Fire Risk Assessments have been undertaken by an external provider and forty-two Health and Safety Inspections have been undertaken by our Quality Team.

REMUNERATION POLICY

Aberlour pays no less than the Scottish Living Wage to staff and is committed to maintaining this policy, proudly holding membership of the Living Wage Foundation. Any changes to remuneration, other than cost of living arrangements, are assessed, and justified using the job evaluation scheme and the associated pay scales.

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

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

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

FINANCIAL REVIEW OF 2022/23

Income from charitable activities for the year was £25,169k compared to £21,150k in 2021/22. Voluntary income, including donations, legacies and other income for the year was £2,311k compared with £1,768k for the previous year and efforts will continue to grow this income stream to maximise the services provided.

Total expenditure for the year was £28,054k (excluding pension settlement costs) compared with £25,480k in 2021/22. The charity recorded an 'operating' deficit of £247k (2021/22 – deficit (£1,559k)) as reflected in the Statement of Financial Activities (after adjusting for the pension fund expenditure movement).

The level of Unrestricted Reserves has decreased from £19,266 to £17,206k.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees regularly assess the strategic risks facing the Trust in detail at the Improvement, Audit & Risk Committee, and make recommendations to the Board on any formal changes to the risk 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 strategic risks. A comprehensive strategic 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:

- **Sustainability** - recruitment & turnover – supporting staff, monitoring job applications, addressing recruitment risks.
- **Financial** - historic abuse claims from former residents could have financial impacts of claims for damages.
- **Reputational** - participation in the Historic Abuse Inquiry and media coverage.
- **Reputational** – data protection breaches and/or failure to comply with subject access requests.
- **Reputational** – failure to safeguard our service users.
- **Reputation & Sustainability** - failure to evidence impact, causing funders and commissioners not contracting for services, leading to a smaller operational base and less competitive advantage.
- **Sustainability** – business continuity risks in the event of a business disaster event.
- **Sustainability** - spending restrictions leading to reduced funding for services threatening sustainability; and,
- **Impact** -failure to meet fundraising targets limiting the scope to internally fund services.

FUTURE DEVELOPMENTS

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

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

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

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

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

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

PENSIONS

Aberlour ended membership as an admitted-body employer under with North-East Scotland Pension Fund (NESPF) a Local Government Pension Scheme (LGPS) as at 31st July 2022, entering into a deferred debt arrangement. In November 2022 Aberlour sought a termination valuation and subsequently exited the pension scheme.

Details of Aberlour's costs while in the Fund, reported in accordance with FRS 102, are detailed in Note 24 of the Accounts, however as at 31st March 2023, Aberlour is no longer a member of the scheme and the final balance at that date in the Balance Sheet is £nil (2021 £1,242k).

As noted above Aberlour reached an agreement with NESPF to end membership at end of July 2022, thus taking more control of balance sheet liabilities through an affordable plan for cumulative liabilities without triggering a cessation event.

While agreement on the valuation of the deferred debt arrangement was in progress an up-front payment of £1m was made in August 2022 as the start of contributions agreed under the arrangement.

During the year national and global economic circumstances changed and we requested a review of our deferred debt liability, asking also for a termination figure as at November 2022. Following this review the NESPF noted that valuations had moved such that our net position on the pension including a termination figure was in surplus. Taking into account the repayment already made in the year noted above the net surplus position on termination was a repayment back to Aberlour of £1.1m.

Up to 31st July 2022, Aberlour's employer contribution rates were at 21.5%, as determined in the outcome of the NESPF Triennial Valuation in 2020.

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

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

FINANCIAL RESERVES

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

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

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

Unrestricted Free Reserves	**2022/2023 £000**	**2021/2022 £000**
Total Unrestricted Reserves per SOFA and Balance Sheet	**17,206**	**19,266**
Less:		
Unrestricted Tangible Fixed Assets	5,813	5,624
Designated Reserves	790	423
Total "Free Reserves"	**10,603**	**13,219**
This includes the unrestricted investment portfolio, which is accessible to the charity as unrestricted, however is currently utilised to provide a financial return to continue Aberlour's objectives.		
Main Investment Portfolio	9,209	10,631
Unallocated Unrestricted Reserves	1,394	2,588
Total "Free Reserves"	**10,603**	**13,219**

Per the table above, Unrestricted funds of £17,206k (2021/22 - £19,499k) includes our investment main portfolio £9,209k (2021/22 - £10,631), unrestricted tangible fixed assets of £5,813k (2021/22 - £5,624), designated funds of £790k (2021/22 - £423) and unallocated reserves remaining free for distribution £1,349k (2021/22 - £2,588k). Free Reserves (defined as Unrestricted funds less tangible fixed assets and designated reserves) of £10,603 (2021/22 £13,452) represents approximately 11 months (2021/22 – 14) of unrestricted expenditure.

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

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

<u>INVESTMENTS</u>

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

It should be noted that during the year an investment manager tender exercise was carried out for management of our portfolios. Quilter Cheviot was successful in retaining management of this.

The value of the main portfolio on 31 March 2022 was £10,631k and over the period fluctuated, eventually closing at £9,213k at 31 March 2023. A similar scale of movement was noted for the Aberlour Urgent Assistance Fund portfolio (value on 31 March 2022 £1,665k closing at £1,439k in 2022/23). Movements in investments in total are set out in Note 15. Performance of investments in 2022/23 saw an overall decline in valuations, with continued impact of war in Ukraine, Gas price uncertainty, mortgage markets reacting to global economic shock all having an effect on portfolio values within the year. However, we remain confident that the high, resilient investments favoured by Quilter Cheviot will prove to be robust in the longer-term.

Income from the main portfolio and interest earned during the year was £233k compared with £276k in 2021/22. The Aberlour Urgent Assistance Fund portfolio generated £40k compared with £43k in 2021/22 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.

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

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

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

Emissions and Energy Consumption

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

UK energy use in 2022/23
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.

2022/23

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

2021/22 (Revised)

Fuel Source	Consumption (kWH)	Proportion
Electricity	396,103	14%
Gas	1,552,683	56%
LPG Oil	161,562	5%
Transport (Hired & "Grey" Fleet)*	689,276	25%
	2,799,624	

*Prior year Accounts stated Transport (Hired and "Grey" fleet) misreported, now includes all of "Grey" fleet

2020/21

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

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

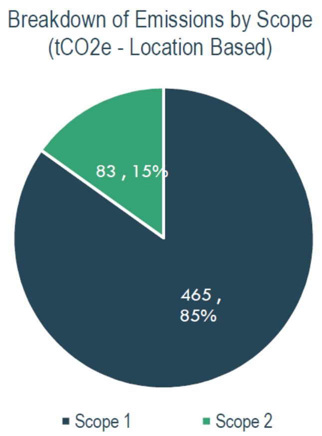
2019/20

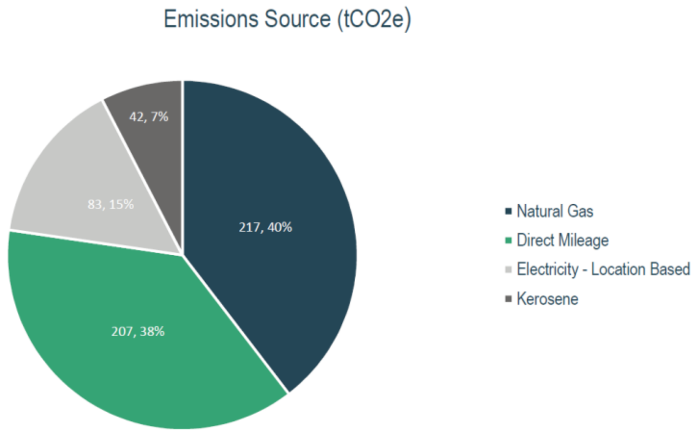
Fuel Source	Consumption (kWH)	Proportion
Electricity	386,040	14%
Gas	1,295,812	46%
LPG Oil	141,395	5%
Transport (Hired & "Grey" Fleet)	983,351	35%
	2,806,598	

As can be observed from the tables above, at the height of the pandemic Aberlour's energy consumption dropped, from 2.81m kWH in 2019/20 to 1.99m kWH in 2020/21. However in 2021/22 we saw an overall rise to 2.8m kWH. This reflected the organisation's increased energy needs as Aberlour continues to grow, but also reflects restrictions in relation to COVID-19 being lifted during that year. Aberlour Continued to grow in 22/23, however overall energy consumption fell to 2.6m kWH. It should be noted however that areas such as Transport, which made up 35% of Aberlour's energy consumption in 2019/20 have decreased to 32% in 2022/23, reflecting Aberlour's greater usage of digital meeting technology, and a reduction in our use of travel and therefore energy consumption related to it.

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 2022 emission factors have been used for all emissions sources as this provides the most comprehensive list of factors available. They allow an activity to be converted into tonnes of carbon dioxide equivalent (tCO2e). Market based factors have been taken from each of Aberlour Child Care Trust's relevant suppliers.





Annual Energy Efficiency Statement

Aberlour continues to place the green agenda at the forefront of its thinking. With smart meters now in place for most of the organisation's sites this allows for a stronger focus on actual energy usage in this year's findings. As in previous years, Aberlour Child Care Trust maintains its commitment to using 100% green electricity.

Notably, Commercial Energy Performance Certificate reports identified several areas for improvement, prompting Aberlour to upgrade the loft insulation in many of its owned residential properties. This upgrade will be expanded further into the next financial year, along with the implementation of lighting upgrades to enhance overall energy efficiency.

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

In line with its dedication to sustainability, Aberlour has taken a significant step towards reducing its carbon

footprint by ordering eleven new fuel-efficient hybrid vehicles. These vehicles are scheduled to replace older, high-mileage, and uneconomical ones at the start of the next financial year, further contributing to the organisation's environmental goals.

We are committed to becoming more sustainable as we move forward into the 2022/23 financial year.

SECTION 172 STATEMENT

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

The likely consequences of any decision in the long term

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

The interests of employees

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

Fostering business relationships with suppliers, customers, and others

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

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

The impact of operations on the community and the environment

- Awareness of other parties' perception of the young people we care for results 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 work in.
- There are examples of Aberlour withdrawing interest in property purchases after neighbour notifications and public meetings have demonstrated local resistance.
- The Board approved an Environmental Policy in 2019 and pre-planned maintenance programmes incorporate improvements that can be made, and lifecycle investments required.
- An organisation-wide group focussing on environmental matters was formed to both spread awareness of the importance of environmentally sustainable practice but also to gather suggestions on how we can make further improvements.
- To continue to seek professional advice on areas of environmental impact and proceed with planned building improvements and procurement of vehicles with full consideration of Aberlour's environmental choices in this regard.

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

- Aberlour has formed business partnerships that have endured over 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.
- Aberlour actively participated in the Scottish Child Abuse Inquiry, fully taking ownership of the organisation's historic actions, and seeking to help Scotland learn from this period and ultimately create a stronger society.
- We closely engaged with the Scottish Government over Financial Redress arrangements feeding back on proposals, many of which were adopted within the terms of the scheme which went live in December 2021.
- Aberlour is a named contributor to the Financial Redress Scheme, having made a commitment to pay £1.6m by 2030. At the end of March 2023, Aberlour has paid £200k of that balance, with the remaining amount being recognised as current and long-term liabilities in these accounts.

Acting fairly between members of the organisation

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

GOING CONCERN

The Board of Trustees remains of the opinion that Aberlour can continue to meet its obligations, as they fall due for the foreseeable future. Consequently, these financial statements have been prepared on the Going Concern basis. The Trustees and Executive Team have prepared budgets and forecasts including a Strategic Plan through to 2027/28 which show no concerns with regards to the financial resilience of the organisation.

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

In order to corroborate this, the Executive Team has gone through long term budget forecasting through to 2027/28. This used assumptions on service income factoring in aspects of growth already underway and the long-term impacts of this on overall Aberlour income. The assessments included an element of income attrition, making forecasts more realistic, allowing for some income loss in certain areas.

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

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

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.

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.

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

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 09 October 2023 and signed on its behalf by:

David Robb
Chair

Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2023

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 2023 and of its incoming resources and application of resources for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Aberlour Child Care Trust ("the Charitable Company") for the year ended 31 March 2023 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 relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the 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.

Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2023 (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

- proper and 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.

Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2023 (continued)

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Non-compliance with laws and regulations

Based on:

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

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

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be [the health and safety legislation etc].

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities (including OSCR) for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of confirmations received from the entity's solicitor.

Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2023 (continued)

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, recognition of service income where work was not completed and the inappropriate use of restricted funds.

Our procedures in respect of the above included:

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

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

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

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

Independent Auditor's Report to the Trustees and Members of Aberlour Child Care Trust for the year ended 31 March 2023 (continued)

Use of our report

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

DocuSigned by:
Martin Gill
B6F16A8EF9FD4ED...

Martin Gill (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Edinburgh, UK

13 October 2023

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

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

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

Aberlour Child Care Trust
For the year ended 31 March 2023

2022 Statement of Financial Activities (incorporating income & expenditure account)

	Note	Unrestricted funds £000	Restricted funds £000	Pension fund £000	Total 2022 £000	Total 2021 £000
Income:						
Charitable activities	4	**9,832**	**11,318**	**-**	**21,150**	16,967
Donations and legacies	5	**589**	**1,179**	**-**	**1,768**	2,383
Income from other trading activities	6	**9**	**6**	**-**	**15**	26
Investment income	7	**276**	**43**	**-**	**319**	321
Other income	8	**2**	**-**	**-**	**2**	2
		10,708	**12,546**	**-**	**23,254**	19,699
Expenditure on:						
Charitable activities	9	**10,595**	**13,466**	**667**	**24,728**	19,349
Raising funds	10	**743**	**9**	**-**	**752**	773
		11,338	**13,475**	**667**	**25,480**	20,122
Net income/(expenditure) before gains and transfers		**(630)**	**(929)**	**(667)**	**(2,226)**	(423)
Realised gains on investments		**56**	**5**	**-**	**61**	157
Unrealised (losses)/gains on investments	15	**111**	**10**	**-**	**121**	2,542
Net income/(expenditure) after gains before transfers		**(463)**	**(914)**	**(667)**	**(2,044)**	2,276
Transfers between funds	11	**(579)**	**579**	**-**	**-**	-
Net income/(expenditure) before other recognised gains and losses		**(1,042)**	**(335)**	**(667)**	**(2,044)**	2,276
Other recognised gains and (losses):						
Loss on revaluation of fixed assets	14	**(233)**	**-**	**-**	**(233)**	-
Actuarial gains/(losses) on defined benefit pension scheme	24	**-**	**-**	**2,349**	**2,349**	8,441
Net movement in funds		**(1,275)**	**(335)**	**1,682**	**72**	10,717
Funds brought forward		**20,541**	**4,164**	**(2,294)**	**21,781**	11,027
Funds carried forward	22,23	**19,266**	**3,829**	**(1,242)**	**21,853**	21,781

Balance Sheet
As at 31 March 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	*14*	**6,504**	6,315
Investments	*15*	**10,648**	12,296
		17,152	18,611
Current assets			
Debtors	*16*	**2,709**	3,064
Cash at bank and in hand		**5,163**	4,554
		7,872	7,618
Liabilities			
Creditors: amounts falling due within one year	*17*	**(1,839)**	(2,179)
Net current assets		**6,033**	5,439
Total assets less current liabilities		**23,185**	24,050
Creditors: amounts falling due after one year	17	**(1,300)**	(800)
Provisions for liabilities and charges	*18*	**(155)**	(155)
Net assets, excluding pension liability		**21,730**	23,095
Pension scheme liability	*24*	**-**	(1,242)
Net assets		**21,730**	21,853
Charity funds			
Restricted income funds	*22*	**4,524**	3,829
Unrestricted funds	*22*	**17,206**	19,266
Pension reserve	*22*	**-**	(1,242)
Total charity funds	*22, 23*	**21,730**	21,853

The financial statements were approved and authorised for issue by the Directors on 09 October 2023

Company Registration Number: SC312912

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

Cash Flow Statement

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

	2023	2022
	£000	£000
Net (expenditure)/income as per SOFA	**(10,911)**	(2,044)
Adjustments for:		
(Gains)/losses on investments	**1,410**	(182)
Adjustment to pension costs	**9,546**	667
Depreciation charges	**139**	171
Decrease/(increase) in debtors	**364**	(1,335)
Increase/(decrease) in creditors	**160**	791
Interest and dividends	**(290)**	(319)
Release of provisions	**-**	(53)
Net cash from/ (used by) operating activities	**418**	(2,304)
Cash flows from investing activities		
Dividends from investments	**290**	319
Purchase of tangible fixed assets	**(328)**	(86)
Proceeds of sale of tangible fixed assets	**-**	7
Purchase of investments	**(3,693)**	(3,515)
Proceeds of sale of investments	**3,439**	4,933
Net cash from/(used by) investing activities	**(292)**	1,658
Change in cash and cash equivalents	**126**	(646)
Cash and cash equivalents at the beginning of the reporting period	**5,099**	5,745
Cash and cash equivalents at the end of the reporting period	**5,225**	5,099
Analysis of cash and cash equivalents (note 25)		
Cash at bank and in hand	**5,163**	4,532
Deposits – investments (note 15)	**62**	567
	5,225	5,099
Reconciliation to cash per balance sheet		
Cash at bank and in hand	**5,163**	4,532
Fixed term deposits – access greater than 3 months	**-**	22
Cash per balance sheet	**5,163**	4,554

Notes to the Financial Statements

1 General information

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

2 Accounting policies

Basis of preparation

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

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

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

Going Concern

The Board of Trustees remains of the opinion that Aberlour can continue to meet its obligations, as they fall due for the foreseeable future. Consequently, these financial statements have been prepared on the going concern basis. The Trustees and Executive Team have prepared budgets and forecasts including a Strategic Plan through to 2027/28 which show no concerns with regards to the financial resilience of the organisation.

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

In order to corroborate this, the Executive Team has gone through long term budget forecasting through to 2027/28. This used assumptions on service income factoring in aspects of growth already underway and the long-term impacts of this on overall Aberlour income. The assessments included an element of income attrition, making forecasts more realistic, allowing for some income loss in certain areas.

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

Investments

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

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

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

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

The Pension Reserve is the company's projected pension asset or unfunded pension liability calculated in accordance with FRS 102, section 28. See below and note 24.

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

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

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

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

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:

- 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.

- Land and buildings are held at fair value determined regularly by external valuers taking into account market factors such as interest rates, physical condition and maintenance.

- 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

2023

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

2022

	Unrestricted & designated funds	**Restricted funds**	**Total 2022**	Total 2021
	£000	**£000**	**£000**	£000
Local authority and government funding	**9,415**	**11,284**	**20,699**	16,526
Receipts from service users	**417**	**34**	**451**	441
	9,832	**11,318**	**21,150**	**16,967**

Included in Local Authority and Government Income is income from the Scottish Government comprising £948k (2022- £911k) including: £80k (2022 – £80k) for Perinatal and Infant Mental Health Service in Forth Valley; £57k (2022 - £53k) for Volunteering Service; £67k (2022 - £54k) for our Communities 2Gether Service through Investing in Communities; £25k (2022 - £175k) from The Promise Partnership through Corra Foundation; £425k (2022 - £13k) in relation to Mother & Child recovery houses project; £175k for Scottish Guardianship service; £110k to Support Local Authorities across Scotland in helping Ukraine Families; £8k for our Perinatal Neonatal Intensive care service in Lothians; £nil for Urgent Assistance Funding in response to the COVID-19 Pandemic (2022 - £350k); £nil (2022 £50k) specifically looking at Urgent Assistance Awards in relation to Debt Support; £nil (2021 - £137k) in relation to COVID-19 payments made to Residential Care Workers.

5 Donations and legacies

2023

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

Notes to the Financial Statements (continued)

5 Donations and legacies (continued)

2021

	Unrestricted & designated funds	Restricted funds	Total 2022	Total 2021
	£000	**£000**	**£000**	£000
Big Lottery Fund	-	360	**360**	351
Donations	577	819	**1,396**	2,019
Legacies	12	-	**12**	13
	589	**1,179**	**1,768**	2,383

Big Lottery Fund income comprised £25k (2022 - £104k) for our Perinatal Service in East Lothian; £129k (2022 - £174k) for Digital Transformation; £36k for Sustain North Ayrshire (2022 - £82k).

6 Income from other trading activities

2023

	Unrestricted & designated funds	Restricted funds	Endowment fund	Total 2023	Total 2022
	£000	**£000**	**£000**	**£000**	£000
Events and sponsorship	**-**	**-**	**-**	**-**	-
Rental of surplus property	-	31	**-**	31	15
	0	**31**	**-**	**31**	15

2022

	Unrestricted & designated funds	Restricted funds	Endowment fund	Total 2022	Total 2021
	£000	**£000**	**£000**	**£000**	£000
Events and sponsorship	**-**	**-**	**-**	**-**	-
Rental of surplus property	9	6	**-**	15	26
	9	**6**	**-**	**15**	26

Notes to the Financial Statements (continued)

7 Investment income

2023

	Government stocks	Equities & other	Total 2023	Total 2022
	£000	£000	£000	£000
United Kingdom	18	220	238	208
Overseas	-	52	52	111
	18	272	290	319

2022

	Government stocks	Equities & other	Total 2021	Total 2020
	£000	£000	£000	£000
United Kingdom	19	189	208	213
Overseas	-	111	111	108
	19	300	319	321

8 Other income

2023

	Unrestricted & designated funds	Restricted funds	Endowment fund	Total 2023	Total 2022
	£000	£000	£000	£000	£000
Other	6	-	-	6	2
	6	-	-	6	2

2022

	Unrestricted & designated funds	Restricted funds	Endowment fund	Total 2022	Total 2021
	£000	£000	£000	£000	£000
Other	2	-	-	2	2
	2	-	-	2	2

Notes to the Financial Statements (continued)

9 Expenditure on charitable activities

2023

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

2022

	Activities undertaken directly	**Support costs**	**Total 2022**	Total 2021
	£000	**£000**	**£000**	£000
Children and families affected by disability	**7,510**	**336**	**7,846**	5,430
Children and families affected by drugs and alcohol	**196**	**9**	**205**	174
Early years	**1,931**	**86**	**2,017**	2,079
Early intervention and prevention	**12,591**	**502**	**13,093**	11,045
Losses on sale of fixed assets	**-**	**-**	**-**	53
Defined benefit pension costs (note 25)	**667**	**-**	**667**	568
Redress Scheme Costs	**900**	**-**	**900**	-
	23,795	**933**	**24,728**	19,349

Notes to the Financial Statements (continued)

9 Expenditure on charitable activities (continued)

The support costs can be analysed as follows:

2023

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

2022

Support costs	Children and families affected by disability £000	Children and families affected by drugs and alcohol £000	Early Years £000	Early Intervention £000	Total 2022 £000	Total 2021 £000
Operations, management & support	**134**	**4**	**34**	**201**	**373**	362
People & quality	**90**	**2**	**23**	**134**	**249**	242
Finance, IT & resources	**67**	**2**	**17**	**101**	**187**	183
Governance costs	**45**	**1**	**11**	**67**	**124**	121
	336	**9**	**86**	**503**	**933**	908

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.

Notes to the Financial Statements (continued)

10 Expenditure on raising funds

	Total 2023 £000	Total 2022 £000
Donations and legacies	**247**	276
Fundraising events and sponsorship	**404**	406
Investment manager's fees	**41**	69
	693	752

11 Transfers between funds

2023	Unrestricted & Designated Funds £000	Restricted Funds £000
Transfers to restricted funds (see note 23)	**(1,330)**	**1,330**
	(1,330)	**1,330**

2022

	Unrestricted & Designated Funds £000	Restricted Funds £000
Transfers from unrestricted funds	**(579)**	**579**
	(579)	**579**

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 2023 £000	Total 2022 £000
Salaries	**18,337**	15,309
Social security costs	**1,466**	1,211
Employer's pension costs	**1,049**	1,102
Pension scheme net debit recognised (Note 24)	**9,546**	614
Redundancy, settlement and ex-gratia payments	**4**	19
	30,402	18,255

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 £nil (2022: £18,799). There were no settlement payments made during this period (2022 - £nil).

No director was reimbursed for travel costs during the year (2022: £nil).

Number of employees who received remuneration exceeding £60,000:	**2023**	2022
Between £60,000 and £70,000	**9**	**5**
Between £70,001 and £80,000	**1**	**1**
Between £80,001 and £90,000	**0**	**0**
Between £90,001 and £100,000	**1**	**1**

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

The Senior Leadership Team is regarded by the Directors as being “Key Management” as defined by FRS 102. The Senior Leadership Team holds the decision-making responsibility covering the whole organisation and for the year ended 31 March 2023 comprised 8 members of staff (2022: 7). The total remuneration of the Senior Leadership Team for the period was £639K (2022: £629K). The terms and conditions relating to this group of employees is consistent to the wider workforce.

	2023	2022
Average number of FTE employees during the year	**Number**	Number
Operational	**319**	**277**
Administrative & support	**80**	**78**
Management	**99**	**90**
	498	**445**

	2023	2022
Average number employees during the year	**Number**	Number
Operational	**400**	**339**
Administrative & support	**107**	**101**
Management	**104**	**90**
	611	**530**

13 Audit and accountancy fees

	2023	2022
	£000	£000
Audit services	**24**	21
	24	21

Notes to the Financial Statements (continued)

14 Tangible fixed assets

2023

	Land and buildings	Fixtures and fittings	Vehicles	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost / valuation					
Balance at 1 April 2021	7,148	11	435	6	7,600
Additions	328	-	-	-	328
Balance at 31 March 2022	**7,476**	**11**	**435**	**6**	**7,928**
Depreciation					
Balance at 1 April 2021	905	5	369	6	1,285
Charge in year	103	3	33	-	139
Balance at 31 March 2022	**1,008**	**8**	**402**	**6**	**1,424**
Net book value:					
31 March 2021	6,243	6	66	-	6,315
31 March 2022	**6,468**	**3**	**33**	**-**	**6,504**

Included in land and buildings is land of £1,446k (2022 - £1,446k) which is not depreciated. Both land and buildings were revalued in July 2022 by an independent valuer, Graham + Sibbald UK LLP on an open market basis for existing use resulting in a loss on revaluation of fixed assets of £233k recognised during the prior year. Land and buildings at historic cost had a cost of £5,055k (2021 - £5,055k) accumulated depreciation of £1,007k (2022 - £966k) and net book value of £4,048k (2022 - £4,089k) at 31 March 2022.

2022

	Land and buildings	Fixtures and fittings	Vehicles	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost / valuation					
Balance at 1 April 2021	7,096	11	446	6	7,559
Additions	52	-	34	-	86
Disposals	-	-	(45)	-	(45)
Balance at 31 March 2022	**7,148**	**11**	**435**	**6**	**7,600**
Depreciation					
Balance at 1 April 2021	**558**	**2**	**354**	**5**	**919**
Charge in year	114	3	53	1	171
Disposals	-	-	(38)	-	(38)
Revaluation	233	-	-	-	233
Balance at 31 March 2022	**905**	**5**	**369**	**6**	**1,285**
Net book value:					
31 March 2021	6,538	9	92	1	6,640
31 March 2022	**6,243**	**6**	**66**	**-**	**6,315**

Notes to the Financial Statements (continued)

15 Investments

	2023	2022
	£000	£000
Quoted investments:		
Market value at 1 April	**11,729**	12,975
Acquisitions at cost	**3,693**	3,515
Disposals	**(3,393)**	(4,872)
Unrealised gains/(losses)	**(1,443)**	121
Market value at 31 March	**10,586**	11,729
Historical cost at 31 March	**9,700**	9,397
Accumulated unrealised gains	**886**	2,332
Market value at 31 March	**10,586**	11,729
United Kingdom	**5,780**	7,581
Overseas	**4,806**	4,148
Cash held for reinvestment	**62**	567
Market value at 31 March	**10,648**	12,296
Government stocks	**606**	582
Equities and other investments	**9,980**	11,147
Cash held for reinvestment	**62**	567
Market value at 31 March	**10,648**	12,296

16 Debtors

	2023	2022
	£000	£000
Grants and fees	**2,335**	2,541
Taxation recoverable	**8**	12
Other debtors	**42**	130
Accrued income	**324**	381
	2,709	3,064

Notes to the Financial Statements (continued)

17 Creditors

	2023	2022
Amounts falling due within one year:	**£000**	£000
Trade creditors	**253**	201
Funding agencies - deferred income	**708**	1,147
Other creditors	**360**	352
Other taxation and social security	**356**	327
Pension creditor	**162**	152
	1,839	2,179
Amounts falling due after one year		
Other creditors	**1,300**	800
	1,300	800
Deferred income		
Opening balance: Funding received in advance	**1,147**	1,264
Released in the period	**(1,147)**	(1,264)
Deferred during the period	**708**	1,147
Closing balance: Funding received in advance	**708**	1,147

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

	2023	2022
Property dilapidation costs:	**£000**	£000
At 1 April 2022	**155**	208
Increase in provisions during year	**-**	-
Released to the Statement of Financial Activities	**-**	(53)
At 31 March 2023	**155**	155

19 Financial instruments

	2023	2022
Financial assets:	**£000**	£000
Financial assets measured at fair value	**10,586**	**11,729**

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

Notes to the Financial Statements (continued)

20 Operating lease commitments

	2023	**2023**	2022	2022
	£000	**£000**	£000	£000
	Land & buildings	**Other**	Land & buildings	Other
Amounts payable under non-cancellable operating leases:				
Within one year	**237**	**31**	**218**	**31**
In two to five years	**457**	**18**	**99**	**63**
	92	**-**	**-**	**-**
Total obligations	**786**	**39**	**317**	**94**

Operating lease rentals charged as an expense during the year totalled £275k (2022 – £275k).

21 Rental income under operating leases

At 31 March 2023 the charity had future minimum lease income under non-cancellable operating leases as follows:

	2023	2022
	£000	£000
	Buildings	Buildings
Within one year	**-**	13
	-	13

22 Analysis of net assets between funds

31 March 2023	**Investments**	**Tangible fixed assets**	**Net current assets**	**Provisions**	**Pension fund deficit**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Restricted funds	-	-	2,156	-	-	2,156
Restricted fund – AUAF	1,439	-	238	-	-	1,677
Restricted fixed asset reserve	-	691	-	-	-	691
Designated	-	-	790	-	-	790
Unrestricted funds	9,209	5,813	1,549	(155)	-	16,416
Pension reserve	-	-	-	-	-	-
	10,648	6,504	4,733	(155)	-	21,730

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); £0.7m in relation to Restricted grants for fixed assets; remaining £2.1m relates to restricted funds across 38 services in various locations across Aberlour. Of these balances only 4 are above £100k individually: one in relation to the Intensive Family Support Services in Dumfries & Galloway; one in relation to the Short Breaks service in Fife, which is underspend that will be utilised in the year or returned to the local authority; one in relation to the Scottish Guardianship Service which will be utilised within the following finical year; and one in relation to our Family Service in Falkirk.

Notes to the Financial Statements (continued)

22 Analysis of net assets between funds (continued)

31 March 2022	Investments	Tangible fixed assets	Net current assets	Provisions	Pension fund deficit	Total
	£000	£000	£000	£000	£000	£000
Restricted funds	-	-	1,473	-	-	1,473
Restricted fund – AUAF	1,665	-	-	-	-	1,665
Restricted fixed asset reserve	-	691	-	-	-	691
Designated	-	-	423	-	-	423
Unrestricted funds	10,631	5,624	2,743	(155)	-	18,843
Pension Reserve	-	-	-	-	(1,242)	(1,242)
	12,296	**6,315**	**4,639**	**(155)**	**(1,242)**	**21,853**

23 Analysis of charitable funds

	Balance at 1 April 2022	Income	Expenditure	Gains/ (losses)	Transfers (note 11)	**Funds at 31 March 2023**
Unrestricted funds	**19,266**	12,860	(12,395)	(1,195)	(1,330)	**17,206**
Restricted funds	**3,829**	14,947	(15,367)	(215)	1,330	**4,524**
Pension fund	**(1,242)**	-	(9,546)	10,788	-	**-**
	21,853	27,807	(37,308)	9,378	-	**21,730**

2022

	Balance at 1 April 2021	Income	Expenditure	Gains/ (losses)	Transfers (note 11)	**Funds at 31 March 2022**
Unrestricted funds	20,541	10,708	(11,338)	(66)	(579)	**19,266**
Restricted funds	4,164	12,546	(13,475)	15	579	**3,829**
Pension fund	(2,924)	-	(667)	2,349	-	**(1,242)**
	21,781	23,254	(25,480)	2,298	-	**21,853**

24 Pension scheme liability

Defined benefit superannuation scheme

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

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

As a result of exiting the scheme, contributions of £nil (2022: £152k) were outstanding at the year end.

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

Summary of actuarial assumptions used

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

The main assumptions used in the actuarial calculations are:

	31 March 2023	31 March 2022
Rate of salary increases (% per annum)	**2.60%**	2.50%
Rate of pension increase (% per annum)	**2.70%**	3.40%
Discount rate (% per annum)	**4.80%**	2.80%
Inflation rate (% per annum)	**3.30%**	3.30%

Demographic/statistical assumptions

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

The assumed life expectations from age 65 are:

		2023	2022
Retiring 31 March 2023	Males	**21.5**	21.5
	Females	**24.2**	24.2
Retiring in 20 years	Males	**23**	23
	Females	**26.3**	26.3

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

Notes to the Financial Statements (continued)

24 Pension scheme liability (continued)

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

	2023	2022
	£000	£000
Fair value of scheme assets	-	71,422
Present value of funded obligations	-	(72,664)
Net liability in the balance sheet	-	(1,242)

Changes in the fair value of scheme assets

	2023	2022
	£000	£000
Opening fair value of scheme assets	71,422	70,715
Interest on plan assets	1,333	1,445
Remeasurements	(5,589)	(266)
Administration expenses	(4)	(13)
Contributions by employer	133	720
Contributions by scheme participants	73	214
Settlements	(66,400)	-
Estimated benefits paid (net of transfers in)	(968)	(1,393)
Closing fair value of scheme assets	-	71,422

Changes in the present value of the defined benefit pension liability

	2023	2022
	£000	£000
Opening defined benefit liability	(72,664)	(73,639)
Current service cost	(400)	(1,283)
Interest cost	(1,354)	(1,498)
Effect of curtailments	-	(38)
Actuarial gains/(losses)	21,805	2,806
Settlements	57,146	-
Experience gains	(5,428)	(191)
Estimated benefits paid (net of transfers in)	968	1,393
Members contributions	(73)	(214)
Closing defined benefit liability	-	(72,664)

Notes to the Financial Statements (continued)

24 Pension scheme liability (continued)

Movement in (deficit)/surplus during the year

	2023	2022
	£000	£000
Share of deficit in scheme at beginning of the year	**(1,242)**	(2,924)
Movement in year:		
Current service cost	**(400)**	(1,283)
Administrative expense	**(4)**	(13)
Contributions	**133**	720
Net interest cost	**(21)**	(53)
Settlements	**(9,254)**	-
Effect of curtailments	**-**	(38)
Experience gains	**(5,428)**	(191)
Actuarial (losses)/gains	**16,216**	2,540
Share of deficit in scheme at end of the year	**-**	(1,242)

Amounts recognised in the statement of financial activities

	2023	**2023**	2022	2022
	£000	**£000**	£000	£000
Current service costs	**(400)**		(1,283)	
Contributions	**133**		720	
Settlements	**(9,254)**		-	
Curtailments	**-**		(38)	
Administrative expense	**(4)**		(13)	
		(9,525)		(614)
Interest on plan liabilities	**(1,354)**		(1,498)	
Interest on plan assets	**1,333**		1,445	
		(21)		(53)
Total		**(9,546)**		(667)

5-year history of experience gains and losses

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Defined benefit obligation	-	(72,664)	(73,639)	(63,325)	(67,821)
Scheme assets	-	71,422	70,715	52,528	54,556
Deficit	-	(1,242)	(2,924)	(10,797)	(13,265)
Experience adjustments to scheme liabilities	**-**	(2,806)	12,732	(6,213)	5,383
Experience adjustments to scheme assets	**-**	(266)	17,664	(2,555)	2,735

Notes to the Financial Statements (continued)

25 Analysis of changes in net debt

Cash and cash equivalents

	At 1 April 2022	Cash flows	**At 31 March 2023**
	£000	£000	**£000**
Cash at bank and in hand	4,554	609	**5,163**
Deposits – investments	567	(505)	**62**
Total	**5,121**	**104**	**5,225**

26 Post balance sheet events

Aberlour disposed of land and buildings in August 2023 valued at £247k in the accounts to 31 March 2023, with proceeds of £260k being recognised on completion of the sale.