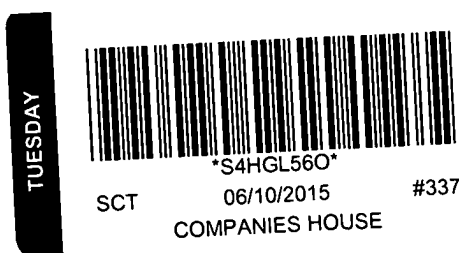




Aberlour Child Care Trust
Annual Report and Accounts
Year ended
31 March 2015



Company Number SC312912

Scottish Charity Number SC007991

Aberlour Child Care Trust
Annual Report
for the year ended 31 March 2015

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Directors	John Jackson	(resigned April 2015)
	David Elder	Vice Chair (from June 2014)
	James Gilchrist	(resigned November 2014)
	Prof. Joyce Lishman	Chair of Improvement, Audit & Risk Committee
	Ron Robson	(resigned February 2015)
	Valerie Surgenor	Chair (from June 2014)
		Chair of Nominations & Succession Committee
	Janice West	(resigned August 2014)
	Andrew McFarlane	
	Robert Lindsay	
	Antony John Sinclair	Chair of Finance Committee (appointed February 2015)

Chief Executive SallyAnn Kelly (appointed June 2014)

Company Secretary Carol Currie

Charity Number SC007991

Company Number SC312912

Registered Office 36 Park Terrace,
Stirling FK8 2JR

Tel: 01786 450335
www.aberlour.org.uk

Aberlour Child Care Trust
Annual Report (continued)
for the year ended 31 March 2015

Auditor	BDO LLP, Registered Auditors, Citypoint, 65 Haymarket Terrace, Edinburgh EH12 5HD
Investment Managers	Quilter Cheviot Investment Management, Delta House, 50 West Nile Street, Glasgow, G1 2NP (appointed 14 July 2015)
Bankers	The Royal Bank of Scotland plc, 2 Pitt Terrace, Stirling FK8 2EX

Aberlour Child Care Trust
Chair's Report
for the year ended 31 March 2015

With the presentation of the Annual Accounts I am pleased to report that Aberlour Child Care Trust continues to develop as a strong and sustainable organisation despite the challenging economic environment. We continue to support and protect some of Scotland's most vulnerable children, young people and their families and we continually adapt our services to meet the needs of those children facing the most overwhelming of obstacles. Put simply, giving children the best possible start in life is at the heart of everything we do.

Overview of the activities of Aberlour Child Care Trust

During my first year as Chair of the Board we have worked tirelessly to strengthen our organisation and to set it on a clear and coherent path. Included in this has been the development and launch of our new three year strategy – "Our Aberlour". The development of the strategy included extensive internal consultation at all levels within the organisation and resulted in a revision and simplification of our organisational values. Our four key values of integrity, challenging, respect and innovative will guide all that we do.

"Our Aberlour" is a strategy that sets out clearly our intentions as an organisation and has our people at its heart, whether they be service users, staff, volunteers or stakeholders. It is suitably ambitious and challenging and articulates our 4 key strategic drivers

- growth
- quality
- sustainability
- impact

We remain disciplined in our choice of service provision, and our strategy sets out the 5 key areas of service provision for the Charity and we continue to work to our strengths whilst applying an innovative approach to which the organisation has become known for. One such development has been the implementation of our new service in the Forth Valley aimed at supporting perinatal maternal mental health and we intend to expand the delivery of this model. We have also seen an increase of our work in relation to self-directed support and our services continue to refine our commitment to working with our children and their families on personalising their support plans.

Seen as a strong, trustworthy partner to many organisations, we have been approached to support a range of other charitable organisations during the course of the last year; and we are currently in the process of finalising arrangements for the transfer of assets from St Clair's Charitable Trust following an approach from its trustees. Once complete Aberlour will administer the funds in order to maximise the impact on beneficiaries.

Aberlour could not provide the services it provides without its dedicated staff team who are experienced, skilled and committed to providing high quality care and support and I thank them all for their loyalty and hard work. Last year I spoke of the imminent arrival of our new Chief Executive Officer, SallyAnn Kelly. Whilst recognising that success depends on people at all levels in the organisation, our Chief Executive has and does play a critical role in leading the organisation forward as it implements its new strategy and beyond and in her work with the Directors of the Board.

With a long history of volunteering this year saw the organisation receiving recognition of this with the Investors in Volunteering award from Investing in Volunteers in Scotland. The organisation is hugely indebted to its volunteers and to all our generous supporters with whose help we receive.

Aberlour Child Care Trust
Chair's Report
for the year ended 31 March 2015

Governance and our risk management approach

Risk is an everyday part of charitable activity. The Board of Directors is expected to and do regularly review and assess the risks faced by the organisation. Managing the risks to the organisation effectively is essential in ensuring not only that the organisation safeguards its charitable funds and its assets but achieves its strategic goals.

Aberlour has a well-established risk management process in place and a risk register has been developed and risk management is a formal and integral part of our discussions at our committees and by the Board of Directors. We continue to have a robust internal audit programme, which is based on a comprehensive strategic review. This provides the Board of Directors and the Senior Management Team with information relating to the risks to which the organisation is potentially exposed. The risk register is reviewed twice a year. In addition to the controls we have put in place, we are of course subject to external audit including inspection by external bodies. With regard to financial risk the Board of Directors monitors progress against the budget on a quarterly basis. Following a number of tendering exercises for some of our external advisors, we have recently appointed BDO LLP as our external auditors and Quilter Cheviot Investment Management Services as our external investment managers to manage the Aberlour investment portfolio. Both BDO LLP and Quilter Cheviot Investment Management Services will report to the Board of Directors on an annual basis. These external arrangements are complimented within the Board of Directors through its committee structure.

It is a privilege to be a board member of the Aberlour Child Care Trust and whilst the Board is responsible for the overall governance of the charity, it must keep front of mind the reasons why we are there. Our Board meets regularly giving freely of their time and expertise and approach all decision making with great care to ensure that we deliver maximum impact through our service delivery and that we continue to build financial and operational sustainability for the future. I would like to pay tribute to their efforts and commitment.

The proper planning for Board succession and refreshing and selecting the right individuals for the board are also key issues for both me and for the Board and as we look forward at the time of writing this report to the joining of three new Board members, I would specifically like to acknowledge the skills and commitment of previous members of the Board who have moved on during the last year, namely, Jimmy Gilchrist, Janice West, Ron Robson and John Jackson.

Looking forward we expect the financial pressures to continue and we are ready for the challenges and opportunities that arise. The efforts of all in Aberlour have improved the lives of many children and young people across Scotland in the past year and I am thankful to everyone who played a part in our success.



Valerie Surgenor LLM, LLB, BA (Hons), DipLP, NP
Chair
14 September 2015

Aberlour Child Care Trust
Chief Executive's Report
for the year ended 31 March 2015

I have enjoyed my first year as Chief Executive of Aberlour – the leading Scottish Children's Charity. I was appointed to the Chief Executive position with a very clear brief. That brief involved the development and implementation of an organisational strategy and the strengthening of the profile and reputation of the organisation. It also included a remit which was centred on ensuring that the organisational infrastructure remained fit for purpose in what is a challenging and at times unpredictable external environment. This allowed for a thorough examination of our infrastructure and a realignment of organisational functions in order that we can meet future challenges. This has meant some key changes at Senior Management level and a restated commitment to the modernisation and improvement of our infrastructure including Information Technology. These changes have been undertaken within the context of the challenging fiscal and operational environment within which we operate and have been informed by our work on organisational strategy.

I am pleased to report that the last year has seen considerable progress for Aberlour in relation to the development of strategy. Our approach has included extensive consultation with the Board of Directors, staff members, volunteers and children and families within the organisation. "Our Aberlour – A Strategy for Success" was launched in June 2015. Our Aberlour reaffirms the commitment of the organisation to promoting fairness and equality within society. It contains refreshed organisational values and sets out clear areas for development for the organisation. The strategy will focus organisational activity and is supported by robust business planning frameworks containing key measures of success. The leadership on our strategy has been assessed externally through our Investors in People accreditation process and we have received a GOLD award from IIP – the highest accreditation possible.

We continue to provide and develop innovative work across the organisation and remain a respected provider of high quality residential care, fostering and disability services. We are increasingly building our reputation for delivering high quality family support and early intervention. We have a clear commitment to person centred practice and our new strategy will provide a clear focus for the development of person centred practices across the organisation, not just in service delivery. Our work with the higher education sector continues to develop and we have worked hard at establishing good relationships with the University of Ulster and the University of Stirling in particular.

Like many other organisations we continue to face challenges in relation to the reduction in public spending. This has inevitably resulted in some losses for us. Most notably, our excellent Glasgow Family Support Service ceased operation in March 2015 following a review of funding priorities by Glasgow City Council. I would like to commend our staff on the service they provided to the children and families over the 20 years this service operated and the dignified and professional manner in which they managed the closure.

We continue to develop new initiatives and are currently providing a perinatal mental health service across Forth Valley. Our internal Edge programme continues and will now include a specific Edge competition for innovative work with young people with learning disabilities following the allocation of a grant award from an external funder. The Scottish Government has funded the Lens, which is based on the principles of the Edge Fund, across the Third Sector and this has been taken forward by Steve McCreadie our previous Director of Developments.

Our influencing activity has been significantly strengthened over the last year with representatives from Aberlour on a range of key Scottish Government groups. We have continued to influence government policy and campaign jointly with other charities to improve the experiences of a range of population groups including looked after children, asylum seekers and refugees, women in the justice system and families who rely on flexible child care provision. We continue to engage across the political spectrum on issues that matter to the children and families we work with and this approach will be strengthened even further over the next year with a renewed emphasis on supporting children and families to share their experiences.

**Aberlour Child Care Trust
Chief Executive's Report
for the year ended 31 March 2015**

We remain realistic regarding the risks and challenges we face as an organisation. The successful implementation of "Our Aberlour" will provide a firm foundation upon which to grow our organisation and minimise future financial risks to the organisation.

Our staff remain our greatest asset and as Chief Executive I look forward to continuing to strengthen our commitment to them and to the children and families we support.

SallyAnn Kelly
Chief Executive
14 September 2015

Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015

The Directors present their report and financial statements for the year ended 31 March 2015. 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 Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

Structure, Governance and Management

Aberlour was founded as an orphanage by Canon Charles Jupp in 1875. He believed that every child has the ability to grow up and flourish in society, notwithstanding the circumstances of his or her birth. In 1978 Aberlour Child Care Trust became a Scottish Charity constituted by a statutory instrument. On 31 March 2010 the Trust ceased operations and was subsequently wound up. On 1 April 2010 its assets, liabilities and undertakings were transferred in their entirety to a charitable company limited by guarantee, Aberlour Child Care Trust. The Office of the Scottish Charities Regulator approved the transfer, including the transfer of the Scottish Charity number.

Governance, management and activities of the charitable company remain very similar to those of the Trust. The Governors of the Trust became Directors of the company. The Directors of the company are the members of the Trust and their liability is limited to £1 each.

The Board comprises Directors elected for their experience and anticipated contribution to the governance of the company. The Scottish Episcopal Church may propose candidates for two Director positions. New Directors have references taken up and enhanced Disclosure Scotland checks are required. Induction packs and briefings on Aberlour's policies and plans are provided and Directors are encouraged to visit our services. It is the Board's practice to elect Directors to serve an initial four year term. This may be extended by mutual agreement.

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

The Board continues to assess the major risks to which Aberlour is exposed, in particular those relating to services to children and families and to its finances. The Risk Register is reviewed regularly by the Senior Management Team and bi-annually by the Board.

The Board

The Directors who held office since 1 April 2014 are listed on page 1.

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

Overview

Aberlour Child Care Trust is proud of its heritage and it continues to be recognised for its high quality, innovative work with some of Scotland's most vulnerable children, young people and families. During the past year we have continued to operate within a challenging economic environment. Further reductions in public spending have meant that we continue to operate with standstill budgets or, in some cases, have had to accept reductions between 5% and 10%.

Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015

It has been a difficult year financially given the loss sustained as a result of the reduction in referrals from Glasgow City Council for our Family Support Service and its eventual closure in March 2015. However, our continued readiness to tackle some major challenges over the year has created a stable and strong foundation from which we will be able to grow our services both organically and opportunistically. We have continued to make changes to our organisational structure to meet the financial challenges ahead and in order to build a more sustainable future. Aberlour has sought to influence, where it can, the national policy agenda for children and young people, seeking to ensure that they are at the heart of decision processes of national and local Government. We have developed our volunteering strategy to create more opportunities across a number of our services. As a learning organisation, we have also established student placements so that the social care workforce of the future can benefit from our vast experience, knowledge and skills across key areas of work.

Though the overall economic climate remains harsh and this has led to a challenging and competitive landscape across the Third Sector, this has not stopped Aberlour from delivering quality services. We have worked in collaboration with other charities and key stakeholders where this has been seen to offer best value and reduce unnecessary duplication.

Vision

Aberlour's vision is to transform the lives of the children and young people we work with. Aberlour is the largest solely Scottish children's charity and each year we help a significant amount of children, young people and their families to cope with major obstacles such as disability, exclusion, parental drug and alcohol dependency and family breakdown. We provide a range of specialist, high quality, community and residential care services in 41 services across 35 locations across Scotland.

We have delivered and invested in:

- Residential care services for young people of all ages, based upon our specialist care practice and philosophy.
- A specialised fostering service with support for foster carers 24 hours per day, 365 days per year, including dedicated respite care for children in foster care.
- A throughcare and aftercare service which allows young people who would normally leave care at 16 more time and support to enable them to fulfil their ambition and potential, without any funding from the public sector.
- Support to children whose lives are affected by parental alcohol and drug use.
- Residential care, respite services and outreach services for children and young people with the most complex needs and severe disabilities.
- Support services for families impacted upon by parental learning disabilities.
- Support for young people who are not in education or employment and may need additional help with challenges at home and in school.
- Information, training and leisure activities for young people living in areas with high levels of social deprivation, crime, drug or alcohol dependency and recognised violent gang culture in some of the most challenging estates in our cities.
- Facilities to promote positive parenting, early years learning and social skills within vulnerable and disadvantaged families.
- A Guardianship service, which supports young unaccompanied asylum seekers.
- Support for mothers in prison with their babies or young children.
- Training and education for childcare professionals to build a competent and confident workforce.

**Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015**

Strategic Report

Achievements and Performance

Investing in our Services

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

- We continue to invest in services supported by the Scottish Government's 3rd Sector Early Intervention Fund.
- Providing long term residential care in Kirkcaldy and Dunfermline to young people who have suffered trauma. During the year we have invested heavily to upgrade our house in the Sycamore Cluster.
- Delivering an innovative throughcare and aftercare service for young care leavers, in partnership with Fife Council.
- Supporting families affected by parental disability with funding secured from the Big Lottery.
- Working in partnership with a number of organisations, including Shelter and Glasgow Housing Association, in order to support families in Glasgow affected by domestic violence.

Investing in our People

In 2012 Aberlour achieved a Silver Investors in People award and was praised for many areas of good practice. Since our new Chief Executive has been in post we have focussed on becoming a more cohesive, inclusive and consultative organisation.

Our 2015 Investors in People assessment confirmed that our staff appreciate being involved in the development of the organisation and have identified many areas of good practice and some areas where we can further improve. Our silver award was awarded after meeting the required standard of 115 evidence requirements. In 2015 we are delighted to report that we have met 165 evidence requirements and have achieved a gold award.

Nowadays it is unusual to find staff who have worked in one service or organisation for many years. However, in November last year we held our 2nd staff long service awards at Stirling Castle which was a memorable night for all concerned. We plan to continue and expand the recognition of our staff who deliver remarkable results by introducing staff awards to be presented in November this year.

Aberlour are holders of the disability Two-Ticks award showing our commitment to equal opportunities from the start of the recruitment process where we actively encourage applications from disabled people. Aberlour operates fair and lawful practices in the promotion of training and career development for all staff regardless of disability.

Improving all the Time

We have developed and implemented a comprehensive Outcomes Framework, which will help to demonstrate and, more importantly, measure the benefits of the unique approach that Aberlour takes towards improving the lives of children and young people.

In the last year our services continued to perform very well against national care standards. We have 22 registered services throughout Scotland and with few exceptions all maintained their high grading or improved them compared with previous inspections.

Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015

Aberlour has invested significantly to improve fire safety in our premises. Risk is managed through regular review of the risk register and development and implementation of relevant action plans.

Working in Partnership and Collaboration

We continue to support managers to operate more commercially, planning and operating practices which deliver improved outcomes and sustainability. Combining our commitment to our charitable purpose with a more efficient and business-like approach enables us to help more children and families and continue to make a difference in the communities we work within.

Collaborative partnerships are increasingly important as we seek new and better ways of delivering in challenging financial times. They can provide opportunities for public, private and third sector organisations to work together creatively to provide services. However, we must ensure these partnerships deliver benefits and are supported by effective legal and contractual agreements

Influencing Policy and Legislative Change

Aberlour continues to exert considerable influence in the development of national policy in those areas of most relevance to our work and the families we support. As well as contributing to the development and impact analysis of UK wide agendas such as welfare reform, we have been represented on a number of high level government advisory groups and brought several key issues to the attention of Scotland's decision makers. During the year we have worked collaboratively with other partners resulting in a proposed amendment to the Human Trafficking Bill to include the provision of guardians for unaccompanied and trafficked children.

Helping us in our mission

Our ability to deliver services to more vulnerable children and young people is enhanced by the help and support of volunteers, whether through volunteering within a service, running fundraising events, undertaking essential maintenance or giving us the benefit of their advice and experience through befriending and peer mentoring. All such support is gratefully received and we would welcome more help from those who could offer some time and assistance.

Financial Review

Income from charitable activities for the year was £14.5m compared with £14.6m for the previous year. Voluntary income, including donations and legacies and other income for the year was £2.9m compared with £3.0m for the previous year.

Total expenditure for the year was £16.8m compared with £16.4m for the previous year. The company recorded an operating surplus, before investment gains and pension adjustments, of £212k which includes investment income of £241k. This is a significant reduction from the previous year due to the loss sustained by our Family Support Service in Glasgow.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and financing of the Trust, and are satisfied that systems are in place to mitigate their exposure to the major risks.

Future Developments

In line with our 2015-18 strategy for success "Our Aberlour" our ambitions are to:

- Grow and deliver services in and out-with Scotland
- Leverage a step-change in funding and resources

**Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015**

- Become the leading edge organisation of choice
- Shape and lead through new campaigns
- Provide a platform for lived experiences

Aberlour continues to ensure that we are able to respond to the demands created through the Scottish Government's Self-Directed Support agenda.

We are finalising arrangements for the transfer of assets from St Clair's Charitable Trust and once complete we will administer the funds to help young girls suffering hardship.

Pensions

Aberlour is a participating employer in the Local Government Pension Scheme (LGPS) under arrangements with the North East Scotland Pension Fund, previously named Aberdeen City Council Pension Fund. Details of the Fund and of Aberlour's share of the Fund, reported in accordance with FRS 17, are set out in Note 22 of these accounts.

Aberlour's share of the long-term deficit in the Fund fluctuates as changes in actuarial experience and assumptions are reflected in actuarial calculations. The share of the deficit attributable to the company, calculated in accordance with FRS 17, was £9.6m at 31 March 2015, an increase of £4.8m compared with the prior year. Details of the movements are included at Note 22.

To address the long-term deficit in the Fund, employer contribution rates have increased from 19.3% to 20.3% with effect from 1st April 2015. This increased rate will remain in force for three years until the next triennial valuation in 2017. The qualifying period for membership of the above scheme is five years however a defined contribution scheme, with Aegon, is available for employees during this period.

On 1st November 2013 an additional scheme was set up with Aegon, for the purpose of pension auto enrolment, for those employees not members of the other available pension schemes.

Reserves

The major reserve is the Endowment Fund provided by generations of donors over the years. It is the Board's policy to seek to maintain the real value of this fund, so that income will continue to be available to further Aberlour's objectives.

Restricted funds are held for a specific purpose and cannot therefore be used for any other purpose. Designated and unrestricted funds are earmarked by the Board to cover future commitments. A breakdown of funds is provided in Note 21 of the financial statements. It is the Board's objective to maintain an appropriate level of designated and unrestricted funds.

Investments

Investment policy is reviewed annually and performance quarterly. The portfolio continues to be managed on a total return basis with the objective of at least maintaining its value in real terms while meeting our requirement for income.

The total return on the portfolio for the 12 months to 31 March 2015 was 12.04% (2014-4.67%) compared with 9.50% (2014- 6.47%) for a composite index appropriate to the mix of stocks, bonds and cash held by the fund managers.

The market value of the investment portfolio at the end of the year was £8.6m compared to £7.8m the previous year. Movements in investments are set out in Note 14.

Income from the portfolio during the year was £241k compared with £215k in the prior year.

Aberlour's policy on socially responsible investment is that the portfolio should not be invested in shares of companies whose main activities exploit children or are clearly detrimental to their well-being. Under the policy, shares in tobacco, gambling, and defence companies are avoided.

Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015

Going Concern

The Board of Directors is of the opinion that the company can continue to meet its obligations, as they fall due, for the foreseeable future. Consequently, the financial statements have been prepared on the going concern basis.

Directors' responsibilities

The Directors are responsible for preparing the Directors' report, Strategic report and the financial statements in accordance with applicable law and regulations.

Charity law and company law requires the director' 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 Directors' 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 Directors' 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 Directors 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 the Auditor

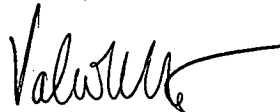
To the knowledge and belief of each of the persons who are Directors at the time the report is approved:

- a) So far as the Director 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 Director to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015**

Approval

In approving the Directors' Report, the Directors are also approving the Strategic Report in their capacity as company Directors. The report was approved by the Directors on 14 September 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Valerie Surgenor', with a long horizontal stroke extending to the right.

Valerie Surgenor LLM, LLB, BA (Hons), DipLP, NP
Chair

Aberlour Child Care Trust
Independent Auditor's Report to the Trustees and Members
for the year ended 31 March 2015

We have audited the financial statements of Aberlour Child Care Trust for the year ended 31 March 2015 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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 charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

Opinion on 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 31st March 2015 and of its incoming resources and application of resources, including its income and expenditure, 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).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report, which includes the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Aberlour Child Care Trust
Directors' Report (continued)
for the year ended 31 March 2015**

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

15 SEPTEMBER 2015

**Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh
United Kingdom**

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

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

Aberlour Child Care Trust
Statement of Financial Activities (incorporating income & expenditure account)
for the year ended 31 March 2015

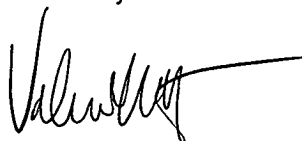
	Unrestricted & designated funds £000	Restricted funds £000	Endowment Fund £000	Pension Fund £000	Total 2015 £000	Restated Total 2014 £000
Incoming resources						
Charitable activities	2	8,085	6,404	-	14,489	14,580
Generated funds						
Voluntary income	3	871	1,113	-	1,984	2,442
Activities for generating funds	4	118	66	-	184	260
Investment income	5	241	-	-	426	215
Other incoming resources	6	86	16	17	119	146
		9,401	7,599	17	17,443	17,643
Resources expended						
Charitable activities	7	8,487	7,546	94	16,050	15,687
Costs of generating funds	8	720	-	-	720	686
Governance costs	9	35	-	-	35	35
		9,242	7,546	94	16,805	16,408
Net incoming/(outgoing) resources before transfers		159	53	(77)	503	638
		159	53	(77)	503	638
Transfers between funds	10	(802)	802	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(643)	855	(77)	503	1,235
Other recognised gains and losses						
Gains on investments		-	-	732	-	122
Actuarial gains / (losses) on defined benefit pension scheme	22	-	-	-	(5,256)	2,283
Net movement in funds		(643)	855	655	(4,753)	3,640
Funds brought forward as originally stated		1,137	2,496	11,040	(4,845)	6,507
Prior year adjustment	24	-	-	-	-	(319)
Funds brought forward as restated		1,137	2,496	11,040	(4,845)	6,188
Funds carried forward	21	494	3,351	11,695	(9,598)	9,828

All results relate to continuing activities. There were no recognised gains and losses during the year other than as shown above.
The notes on pages 19 to 29 form part of these financial statements

Aberlour Child Care Trust
Balance Sheet
as at 31 March 2015

	Note	2015 £000	Restated 2014 £000
Fixed assets			
Tangible assets	13	4,298	4,386
Investments	14	<u>8,673</u>	<u>7,812</u>
		<u>12,971</u>	<u>12,198</u>
Current assets			
Debtors	15	1,118	1,702
Cash at bank and in hand		<u>3,599</u>	<u>2,473</u>
		4,717	4,175
Liabilities			
Creditors: amounts falling due within one year	16	<u>(1,862)</u>	<u>(1,400)</u>
Net current assets		<u>2,855</u>	<u>2,775</u>
Total assets less current liabilities		15,826	14,973
Provisions for liabilities and charges	17	<u>(286)</u>	<u>(300)</u>
Net assets, excluding pension liability		15,540	14,673
Pension scheme liability	22	<u>(9,598)</u>	<u>(4,845)</u>
Net assets		<u>5,942</u>	<u>9,828</u>
Charity funds			
Endowment Fund	21	11,695	11,040
Restricted income funds	21	3,351	2,496
Unrestricted and designated funds	20, 21	494	1,137
Pension reserve	22	<u>(9,598)</u>	<u>(4,845)</u>
Total charity funds		<u>5,942</u>	<u>9,828</u>

The financial statements were approved and authorised for issue by the Directors on 14 September 2015



Valerie Surgenor, LL.M, LL.B, BA (Hons), DipLP, NP
Chair

Company Registration Number: SC312912

The notes on pages 19 to 29 form part of these financial statements

Aberlour Child Care Trust
Cash Flow Statement
for the year ended 31 March 2015

Cash Flow Statement		2015 £000	Restated 2014 £000
	<i>Note</i>		
Net cash inflow from operating activities	A	1,038	1,140
Investment income received		241	215
Capital expenditure and financial investment			
Purchase of tangible fixed assets	13	(69)	(138)
Proceeds of sale of tangible fixed assets		45	165
Purchase of investments	14	(590)	(2,185)
Proceeds of sale of investments	14	618	1,132
Management of liquid resources			
Investments in short term deposits		(161)	62
Increase/(decrease) in cash in the year	B	1,122	391
Notes to the Cash Flow Statement			
A Reconciliation of net incoming resources to net cash flow from operating activities			
Net incoming resources before other recognised gains and losses		638	1,235
Non-operating cash flows eliminated:			
Investment income		(241)	(215)
Depreciation	13	137	170
Impairment		-	-
Gain on sale of tangible fixed assets	6	(25)	(95)
Pension scheme movement	22	(503)	(431)
Increase in creditors and provisions		448	311
Decrease in debtors	15	584	165
Net cash inflow from operating activities		<u>1,038</u>	<u>1,140</u>
B Reconciliation of net cash flow to movement in net funds			
Increase/(Decrease) in cash in the year		1,122	391
Increase/(Decrease) in short-term deposits		161	(62)
Net funds at 1 April 2014		<u>2,591</u>	<u>2,262</u>
Net funds at 31 March 2015	C	<u>3,874</u>	<u>2,591</u>
C Analysis of movement in net funds			
	2014 £000	Cashflow £000	2015 £000
Cash at bank and in hand	2,169	1,122	3,291
Short-term deposits - bank	304	4	308
Short-term deposits -investments	118	157	275
	<u>2,591</u>	<u>1,283</u>	<u>3,874</u>

The notes on pages 19 to 29 form part of these financial statements

Aberlour Child Care Trust
Notes to the Financial Statements
for the year ended 31 March 2015

1 Accounting policies

Basis of accounting

The accounts have been prepared on the historic cost convention as modified by the revaluation of investments, and in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, applicable legislation and accounting standards and the Statement of Recommended Practice: Accounting and Reporting by Charities.

Going concern

The directors are of the opinion that the company can continue to meet its obligations as they fall due for the foreseeable future. As a result the directors have prepared the financial statements on the going concern basis.

Investments

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

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

Freehold land and buildings were historically reviewed annually for indications of impairment, it being the company's policy to maintain them so that their estimated residual values at the date of acquisition or upgrading exceed their original cost. Accordingly, freehold land and buildings were not depreciated. During the year to 31 March 2015 there was a change in accounting policy to depreciate buildings over their estimated useful life of 50 years. The impact on the current year is a depreciation charge of £94k. The impairment charge in previous year of £416k has been released with a charge for depreciation for 2014 of £97k, resulting in a net credit to prior year results of £319k and hence reduction in brought forward reserves at 1 April 2013 of £319k.

The value for capitalisation of assets is £1,000.

Operating leases

The cost of operating leases is charged to the accounts in the year to which it relates.

Rentals paid under operating leases are charged to income as incurred.

Finance leases

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The interest element of the finance lease and hire purchase obligations is charged to the Statement of Financial Activities over the period of the lease.

Incoming resources

Incoming resources are recognised in the period in which they are measurable and there is entitlement and reasonable certainty 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.

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

Accounting policies (continued)

Outgoing resources

Outgoing resources are 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 company 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 company and its strategic management.
- Support costs are costs which enable services to be delivered.

Funds

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

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

Designated funds have been reserved for specific purposes. Unrestricted funds are balances carried forward towards future expenditure and to meet working capital requirements.

The Pension Reserve is the company's projected pension asset or unfunded pension liability calculated in accordance with FRS 17. See below and Note 22.

VAT

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

Cash flow liquid resources

Cash flows comprise increase and decreases in cash and includes cash in hand and cash at bank. Liquid resources comprise asset held as a readily disposable store of value. They include cash term deposits and bank notice accounts.

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.

Pension costs

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

In accordance with FRS 17: Retirement Benefits, 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, both operated by Aegon and one being an auto-enrolment scheme. Contributions payable to the Schemes are charged to the Statement of Financial Activities in accordance with FRS 17.

Gifts in kind

Gifts in kind are recorded in the financial statements at market value on the date of donation, where the value of the gift exceeds £500.

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

2 Incoming resources from charitable Activities	Unrestricted & designated funds £000	Restricted funds £000	Endowment Fund £000	Total 2015 £000	Total 2014 £000
Local authority and government funding	7,601	5,800	-	13,401	13,666
Receipts from service users	484	604	-	1,088	914
	<u>8,085</u>	<u>6,404</u>	<u>-</u>	<u>14,489</u>	<u>14,580</u>
3 Voluntary income	Unrestricted & designated funds £000	Restricted funds £000	Endowment Fund £000	Total 2015 £000	Total 2014 £000
Big Lottery Fund	100	683	-	783	942
Donations	702	430	-	1,132	1,460
Legacies	69	-	-	69	40
	<u>871</u>	<u>1,113</u>	<u>-</u>	<u>1,984</u>	<u>2,442</u>
Big Lottery Fund income comprised £290k for Dundee Early Intervention Service, £194k for South Ayrshire Family Support Service, £140k for Glasgow Bridges Partnership, £95k for Sycamore Through Care After Care Service, £58k for Youthpoint Service and £6k for volunteering.					
Included in donations is an amount of £104k from STV Appeal for Aberlour Bridges services in Dundee and Glasgow and £2k received from Barrow Cadbury Trust for the 'Mothers and babies in prison' project.					
4 Activities for generating funds	Unrestricted & designated funds £000	Restricted funds £000	Endowment Fund £000	Total 2015 £000	Total 2014 £000
Events and sponsorship	85	39	-	124	195
Rental of surplus property	33	27	-	60	65
	<u>118</u>	<u>66</u>	<u>-</u>	<u>184</u>	<u>260</u>
5 Investment income		Government stocks £000	Equities & other £000	Total 2015 £000	Total 2014 £000
United Kingdom		4	611	615	174
Overseas		-	52	52	41
		<u>4</u>	<u>663</u>	<u>667</u>	<u>215</u>
6 Other incoming resources	Unrestricted & designated funds £000	Restricted funds £000	Endowment Fund £000	Total 2015 £000	Total 2014 £000
Gains on asset disposals	8	-	17	25	95
Other	78	16	-	94	51
	<u>86</u>	<u>16</u>	<u>17</u>	<u>119</u>	<u>146</u>
7 Charitable activities		Activities undertaken directly £000	Support costs £000	Total 2015 £000	Restated Total 2014 £000
Children and families affected by disability		4,192	164	4,356	4,192
Children and families affected by drugs and alcohol		1,919	73	1,992	1,653
Early years		2,295	90	2,385	2,057
Early intervention and prevention		7,051	266	7,317	7,485
Provisions for dilapidations and impairment		-	-	-	300
		<u>15,457</u>	<u>593</u>	<u>16,050</u>	<u>15,687</u>

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

8 Costs of generating funds	Total 2015 £000	Total 2014 £000
Voluntary Income		
Donations and legacies	395	428
Fundraising events and sponsorship	297	234
Investment manager's fees	28	24
	<u>720</u>	<u>686</u>

9 Governance costs	Total 2015 £000	Total 2014 £000
Support costs	16	11
Directors' travel expenses reimbursed	1	1
Audit and accountancy fees	18	23
	<u>35</u>	<u>35</u>

No Director received remuneration in this or the prior year.

Three Directors were reimbursed for travel costs totalling £1,107 for the year (2014: £1,090).

10 Transfers between funds	Unrestricted and designated funds £000	Restricted funds £000
Deficits met by unrestricted funds	(25)	25
Transfer from designated to restricted funds	(145)	145
Reserves transferred from restricted to unrestricted	246	(246)
Transfer from designated property fund to restricted property fund	(878)	878
	<u>(802)</u>	<u>802</u>

During the year the Charity undertook a full review of all funds and this resulted in the reclassification of certain funds particularly the designated capital reserve which should have previously been classified as restricted, due to its nature.

11 Staff costs	Total 2015 £000	Total 2014 £000
Salaries	10,791	10,586
Social security costs	757	755
Employer's pension costs	919	981
Pension scheme net credit recognised (Note 22)	(503)	(431)
	<u>11,964</u>	<u>11,891</u>

Included in salaries are redundancy and ex-gratia payments of £513k paid to employees under the terms of legal settlement agreements.

Number of employees who received remuneration exceeding £60,000:

	2015	2014
Between £60,000 and £70,000	2	1
Between £70,001 and £80,000	1	1

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

Valerie Surgenor, a member of the Board, is a partner in MacRoberts, which received £15,928 (2014: £12,987) for legal advice given during the year discounted to prior year rates.

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

	2015 Number	2014 Number
Average number of employees during the year		
Operational	493	531
Administrative & support	70	77
Management	77	79
	<u>640</u>	<u>687</u>

12 Audit and accountancy fees	2015 £000	2014 £000
Audit services	18	18
Non-audit services	-	5
	<u>18</u>	<u>23</u>

13 Tangible fixed assets	Land and buildings £000	Fixtures & fittings £000	Vehicles £000	Computer equipment £000	Total £000
Cost:					
Balance at 1 April 2014	4,839	12	376	425	5,652
Additions	-	-	69	-	69
Disposals	(116)	-	(60)	-	(176)
Balance at 31 March 2015	<u>4,723</u>	<u>12</u>	<u>385</u>	<u>425</u>	<u>5,545</u>
Depreciation:					
Balance at 1 April 2014	519	12	310	425	1,266
Charge in year	94	-	43	-	137
Disposals	(96)	-	(60)	-	(156)
Balance at 31 March 2015	<u>517</u>	<u>12</u>	<u>293</u>	<u>425</u>	<u>1,247</u>
Net Book Value:					
31 March 2014	<u>4,320</u>	-	66	-	4,386
31 March 2015	<u>4,206</u>	-	92	-	4,298

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

14 Investments	2015	2014
	£000	£000
Quoted investments:		
Market value at 1 April 2014	7,694	6,519
Acquisitions at cost	590	2,185
Sales proceeds	(618)	(1,132)
Realised (losses)/gains	(6)	193
Unrealised gains/(losses) for year	738	(71)
Market value at 31 March 2015	<u>8,398</u>	<u>7,694</u>
Historical cost at 1 April 2014	5,640	5,662
Accumulated unrealised gains	<u>2,758</u>	<u>2,032</u>
Market value at 31 March 2015	<u>8,398</u>	<u>7,694</u>
United Kingdom	4,975	5,511
Overseas	3,423	2,183
Cash held for reinvestment	275	118
Market value at 31 March 2015	<u>8,673</u>	<u>7,812</u>
Government stocks	158	151
Equities and other investments	8,240	7,543
Cash held for reinvestment	275	118
Market value at 31 March 2015	<u>8,673</u>	<u>7,812</u>
Investments valued in excess of 5% of the portfolio at 31 March 2015 are:		
J P Morgan Fund ICVC Shares Class C – GBP / JPM US Equity Income Fund (6.78%)		
15 Debtors	2015	2014
	£000	£000
Grants and fees	989	1,078
Taxation recoverable	8	76
Other debtors	121	548
	<u>1,118</u>	<u>1,702</u>
16 Creditors	2015	2014
	£000	£000
Amounts falling due within one year:		
Funding agencies	778	562
Other creditors	772	691
Other taxation and social security	215	-
Pension creditor	97	147
	<u>1,862</u>	<u>1,400</u>
Deferred income		
Opening balance: Funding received in advance	562	621
Released in the period	(562)	(621)
Deferred during the period	778	562
Closing balance: Funding received in advance	<u>778</u>	<u>562</u>

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

17	Provisions for liabilities and charges	2015	2014
		£000	£000
	Property dilapidation costs:		
	At 1 April 2014	300	-
	Provision in the year	-	300
	Utilised during the year	(14)	-
	At 31 March 2015	<u>286</u>	<u>300</u>

18	Operating lease commitments	2015	2015	2014	2014
		£000	£000	£000	£000
	Annual commitments under non-cancellable operating leases expiring:	Land & Buildings	Other	Land & Buildings	Other
	within one year	150	-	174	-
	in two to five years	<u>95</u>	<u>89</u>	<u>57</u>	<u>90</u>
		<u>245</u>	<u>89</u>	<u>231</u>	<u>90</u>

19 **Contingent liabilities**

A property acquired in 2002 at a cost of £160k was funded by a grant from the Scottish Government. In the event of its sale, the Scottish Government have the right to direct how the proceeds may be used.

20 **Unrestricted and designated funds**

	2015	Restated 2014
	£000	£000
Designated funds	-	1,940
Designated fixed asset reserve		
Property	-	878
Capitalised grant for motor vehicles	-	36
Reserve for vehicle replacement	-	(9)
	<u>-</u>	<u>2,845</u>
Unrestricted funds	780	(1,408)
Provision for dilapidations	<u>(286)</u>	<u>(300)</u>
	<u>494</u>	<u>1,137</u>

21	Analysis of net assets between funds	Investments	Tangible fixed assets	Net current assets	Provisions	Pension Fund Deficit	Total
		£000	£000	£000	£000	£000	£000
	Endowment Fund	8,673	3,328	(306)	-	-	11,695
	Restricted funds	-	92	2,381	-	-	2,473
	Restricted fixed asset reserve	-	878	-	-	-	878
	Unrestricted funds	-	-	780	(286)	-	494
	Pension Reserve	-	-	-	-	(9,598)	(9,598)
		<u>8,673</u>	<u>4,298</u>	<u>2,855</u>	<u>(286)</u>	<u>(9,598)</u>	<u>5,942</u>

The restricted project balances represent approximately 26 projects, each with varying amounts, which will be utilised in future years.

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

22 Pensions

Defined benefit superannuation scheme

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

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

The contributions to the Fund are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The last actuarial valuation was at 31 March 2014. Employer's contributions were as follows for the three years ended 31 March 2015:

Year to 31 March	Percentage of Members' Contributions
2013	320%
2014	320%
2015	320%

Contributions of £97k (2014: £147k) were outstanding at the year end.

Summary of actuarial assumptions used

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 31 March 2014 and updated by a qualified actuary, John A Livesey of Mercer Limited, to take account of the requirements of FRS 17 in order to assess the assets and liabilities of the scheme at 31 March 2015.

The main assumptions used in the actuarial calculations are:

	31 March 2015	31 March 2014
Rate of salary increases (% per annum)	2.40%	2.40%
Rate of pension increase (% per annum)	2.00%	2.40%
Discount rate (% per annum)	3.30%	4.50%
Inflation rate (% per annum)	2.00%	2.40%

Demographic/statistical assumptions

The demographic assumptions adopted are consistent with those used for the formal funding valuation as at 31 March 2015. The post retirement mortality tables adopted were the PA92 series projected to calendar year 2015 for current pensioners and 2019 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:

Retiring 31 March 2015	Males	22.1
	Females	24.7
Retiring in 20 years	Males	24.3
	Females	27.5

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

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

22 Pensions (continued)

The scheme's expected rate of return on assets	2015	2014
Equities	6.5%	7.0%
Gilts	2.2%	3.4%
Other bonds	2.9%	4.3%
Property	5.9%	6.2%
Cash/liquidity	0.5%	0.5%
Other	6.5%	7.0%

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

	2015	2014
	£000	£000
Fair value of scheme assets	41,508	37,821
Present value of funded obligations	51,106	42,666
Net liability in the balance sheet	<u>(9,598)</u>	<u>(4,845)</u>

Changes in the fair value of scheme assets	2015	2014
	£000	£000
Opening fair value of scheme assets	37,821	34,013
Expected return on scheme assets	2,335	2,099
Actuarial gains/(losses)	1,685	1,399
Contributions by employer	843	904
Contributions by scheme participants	253	282
Estimated benefits paid (net of transfers in)	<u>(1,429)</u>	<u>(876)</u>
Closing fair value of scheme assets	<u>41,508</u>	<u>37,821</u>

Changes in the present value of the defined benefit pension liability	2015	2014
	£000	£000
Opening defined benefit liability	42,666	41,572
Service cost	700	711
Interest cost	1,909	1,832
Actuarial losses/(gains) on liabilities	6,941	(884)
Curtailments	66	29
Estimated benefits paid (net of transfers in)	<u>(1,429)</u>	<u>(876)</u>
Members contributions	<u>253</u>	<u>282</u>
Closing defined benefit liability.	<u>51,106</u>	<u>42,666</u>

Movement in (deficit)/surplus during the year	2015	2014
	£000	£000
Share of deficit in scheme at beginning of the year	(4,845)	(7,559)
Movement in year:		
Current service costs	(700)	(711)
Contributions	843	904
Impact of settlements and curtailments	(66)	(29)
Net return on assets	426	267
Actuarial (losses)/gains	<u>(5,256)</u>	<u>2,283</u>
Share of deficit in scheme at end of the year	<u>(9,598)</u>	<u>(4,845)</u>

Aberlour Child Care Trust
Notes to the Financial Statements (continued)
for the year ended 31 March 2015

22 Pensions (continued)

Amounts recognised in the statement of financial activities

	2015	2015	2014	2014
	£000	£000	£000	£000
Current service costs	(700)		(711)	
Contributions	843		904	
Losses on curtailments and settlements	(66)		(29)	
		77		164
Interest on pension scheme liabilities	(1,909)		(1,832)	
Expected return on scheme assets	2,335		2,099	
		426		267
Total		503		431

5 year history of experience gains and losses

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Defined benefit obligation	(51,106)	(42,666)	(41,572)	(35,769)	(32,556)
Scheme assets	41,508	37,821	34,013	28,988	30,872
Deficit	(9,598)	(4,845)	(7,559)	(6,781)	(1,684)
Experience adjustments to scheme liabilities	637	-	-	2,212	-
Experience adjustments to scheme assets	1,685	1,399	3,070	(4,405)	997

23 Post balance sheet events

As at 18 May 2015, Aberlour Child Care Trust is beneficiary to the investment portfolio and cash balances previously held by the trustees of St Clair's Trust, Aberdeen.

24 Prior year adjustment

As noted in Note 1 'Tangible Fixed Assets' the accounting policy for land and buildings has changed to now provide for depreciation at 2%. Accordingly, a prior year adjustment has been processed. The impact of this adjustment is a release of prior year impairment charge of £416k with a charge for depreciation for the prior year of £97k. Hence a net impact of £319k credit to 2014 results with a reduction in brought forward funds at 1 April 2013 of £319k.