

MINUTES

Public

Shetland Charitable Trust
Boardroom, 22-24 North Road, Lerwick, and remotely via Zoom
Thursday 6 October 2022 at 11.00am

Present:

E Adamson	A Cooper
A Ferguson	S Gray
R Leith	E Miller
I Napier	R Stevenson

Present via Remote Link:

Y Hopkins	M Roberts
R Leask	

Apologies:

K Harrison

In Attendance (Officers):

A Black, Chief Executive – SCT
E Flaws, Administration Manager - SCT
L Geddes, Committee Officer – SIC

Also:

G Gilfillan, Finance Manager – SCT (to take up post on 1 Nov 2022)
J Robertson, Media Adviser

Chair:

Dr Cooper, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read, and the Chair welcomed new Trustees to their first meeting.

Declarations of Interest:

Ms Hopkins declared an interest in Agenda Items 5 and 7 as she had cousins who were trustees of Shetland Arts Development Agency and Ability Shetland.

Minutes:

The minutes of the meeting held on 2 June 2022 were confirmed on the motion of Mr Leith, seconded by Ms Roberts.

(Mr Ferguson attended the meeting)

28/22 **Shetland Charitable Trust Annual Report and Accounts for the year to 31 March 2022**

The Trust considered a report by the Chief Executive (CT2209024) presenting the Annual Report and Accounts.

The Chief Executive advised that because today's meeting had been rescheduled from 15 September, the accounts would be signed off with today's date. She went on to say that she was pleased to report that the Trust had received another clean audit and that the process had gone smoothly. With regard to the accounts, the Trust's reserves as at 31 March 2022 were £449.5million - a small drop of £7million from 2021. This decrease was mainly due to a lack of growth of the Trust's externally managed investments over the year. However, it was important to note that when taken in conjunction with the extraordinary gains the previous year, the Trust's reserves had grown by £140million in the two-year period. Given the current inflationary pressures in the United Kingdom and the ongoing conflict in Ukraine, it was likely that markets would continue to be volatile. Income for the year had been £3.6million, which was £0.7million lower than 2021, and expenditure was within budget at £11.3million. The level of disbursements had increased to £8.9million due to an increase in the Main Grant Scheme and two COVID-19 contingency awards being made.

Responding to questions, she confirmed that "Surplus Grants Refunded" related to grants paid back where the amount that could be retained was in excess of the Trust's reserves policy, and that the number of employees also included Shetland Heat Energy and Power (SHEAP) employees as the accounts were consolidated.

It was commented that the introductory notes to the accounts were helpful.

On the motion of Dr Napier, seconded by Mr Stevenson, Trustees approved the recommendations in the report.

Decision:

Trustees:

- a) approved the Annual Report and Accounts for the year to 31 March 2022 attached as Appendix A;
- b) authorised the Chair and the Chair of Audit & Governance Advisory Committee to sign the accounts;
- c) authorised the Chair to sign the Letter of Representation reproduced as Appendix C, and
- d) noted the summary report from RSM UK Audit LLP, the Trust's auditors, attached as Appendix B.

29/22 **Investment Performance Update – Three Months to 30 June 2022**
The Trust noted a report by the Chief Executive (CT2209025) outlining investment performance in the three months to 30 June 2022.

The Chief Executive highlighted the volatility in markets over the period, and advised that the market value of the Trust's external investments at the end of August was £397million.

Decision:

The Trust noted the report.

30/22 **Management Accounts – Three Months to 30 June 2022**
The Trust noted a report by the Chief Executive (CT2209026) presenting the Management Accounts for the three months to 30 June 2022.

It was noted that the actual budget for the quarter should have been compared against the budget for the period, rather than the year. The Chief Executive confirmed that this would be actioned together with explaining the Fund Manager investment expenses further.

Decision:

The Trust noted the Trust's financial position at the three months ended 30 June 2022, as shown in the Management Accounts in Appendix A.

(Mr Stevenson declared an interest in the following item due to his involvement with two groups – South Nesting Boating Club and Community Development Company of Nesting – that had received bridging loans)

31/22 **Capital Works Bridging Loan Scheme**
The Trust noted a report by the Chief Executive (CT2209027) presenting an update of the Capital Works Bridging Loan Scheme.

The Chief Executive advised that the Legion Scotland Lerwick Branch and the Scalloway Community Development Company plan to pay their loans back in November. The delay was due to issues getting contractors to carry out the works. The Chair had also used his delegated authority to approve a loan for the Papa Stour History Group of £160,000, and an application had been received from the Fair Isle Bird Observatory Trust for £700,000 which was being processed. She confirmed that the Trust had an approved allocation of up to £1.5 million for the Scheme, and she would come back to Trustees if this was likely to be exceeded.

Decision:

The Trust noted the report.

In order to prevent the disclosure of confidential information, Dr Cooper moved, Mr Leith seconded, and the Trust resolved, in terms of the relevant Regulations, to exclude the public during consideration of the following items of business.

(Trustees in attendance by remote link each confirmed that there were no other persons present able to hear or record the proceedings)

32/22 **Shetland Arts Development Agency**

The Trust considered a report by the Chief Executive.

Following some discussion, Dr Napier moved that recommendation 5.1 in the report be approved, and Mr Leask seconded.

Decision:

The Trust approved recommendation 5.1 in the report.

(The meeting adjourned at 11.45am and reconvened at 11.50am)

33/22 **Relationships Scotland - Shetland**

The Trust considered a report by the Chief Executive.

Following some discussion, Mr Leask moved that recommendation 5.1 in the report be approved, and Dr Napier seconded.

Decision:

The Trust approved recommendation 5.1 in the report.

34/22 **Service Performance of Funded Organisations – Year Ending 31 March 2022**

The Trust considered a report by the Chief Executive.

The Chief Executive summarised the main terms of the report, and responded to questions from Trustees.

Following some discussion, the Trust agreed the recommendation in the report.

Decision:

The Trust agreed the recommendation in the report.

35/22 **Deeds Executed**

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

36/22 **Update from Chairs of Advisory Committees**

The Trust noted updates from the Chairs of the Trust's advisory committees.

37/22 **Update from Subsidiary Companies**

The Trust noted an update in relation to subsidiary companies.

The meeting concluded at 12.45pm.

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CHAIR