

## Shetland Leasing and Property Developments Limited, 'SLAP'

SLAP is a commercial company wholly owned by Shetland Charitable Trust. SLAP has a £23 million portfolio of over thirty commercial properties. The properties are leased to a diverse mixture of local private sector businesses, national entities such as BP and the Scottish Government and the Shetland Islands Council. SLAP also owns and leases out two non-property assets.

Shetland Charitable Trust invests in SLAP by purchasing shares. Cash equivalent to the profits made each year by SLAP is returned to the Trust by the Gift Aid mechanism. This achieves two things, neither party pays corporation tax on the profits generated by SLAP and the cash paid over is the Trust's return on its investment. The Gift Aid payment relating to SLAP's profits for last year is £2.9 million, which the Trust accepts is a commercial return on its investment. SLAP is owned by a charity and this affects the mechanism of how it makes a return to its owner. However, in all other matters, it is a normal, private commercial company, and achieving profits against targets set by the owner is the key performance target.

The business has been growing over the last 10 years, but could look to grow faster with the support of a commercially focused Board.

An overview of the property portfolio is set out below.

<b>SLAP Properties – October 2012</b>		
<b>Property</b>	<b>Description</b>	<b>Tenant</b>
Blacksness Industrial Estate	Industrial Unit	Trouw Aquaculture
Blacksness Industrial Estate	Industrial Unit	SIC - Ports
66 Commercial Road	Offices	Shetland Telecom (SIC) and Modern Ports (SIC)
68 Commercial Road	Engineering Wholesale	L.E.S.S.
Commercial Road	Warehouse Workshop	HNP
Commercial Road	Land & Redundant Buildings	Vacant and in poor condition
Fetlar Camp Site	Camp site	Shetland Islands Council
Greenhead Base, Lerwick	Port/industrial facility	SBS (Base)
Greenhead Base, Lerwick	Industrial site	SIC (Land at Incinerator)
Greenhead Base, Lerwick	Warehouse 1	Vacant (development opportunity)
Land next to Greenhead Base	Industrial Site	Augean
FE College Phase 1, Gremista	College building	Shetland Islands Council
FE College Phase 2, Gremista	College building	Shetland Islands Council
Fish Factory, Ronas Voe	Fish Factory	Blueshell Mussels
Kantersted Road, Lerwick	Dry Cleaners, Site	Mr & Mrs A J T Watt

<b>Property</b>	<b>Description</b>	<b>Tenant</b>
Kantersted Road, Lerwick	Takeaway, Site	Mr S Li
Lochside Stores, Lerwick	Shop	Mr M Johnston
NAFC, Scalloway	College	Shetland Islands Council
NE Farmers, Staney Hill	Wholesale warehouse	Harbro Ltd
2 North Ness, Lerwick	Offices	Millgaet Media
3 North Ness, Solar Hus	Office	SIC (HIE Shetland – sub tenant)
7 North Ness, Gutters' Hut	Offices	Bon Accord Accountancy FE College, Viking Energy
8 North Ness	Offices	Shetland Islands Council HQ
Sandness Spinning Mill	Factory Unit	Jamieson Spinning Ltd
Sandwick Woollen Factory	Factory Unit	Laurence Odie (Knitwear) Ltd
Scatsta Airport	Leased Land and Buildings	Integrated Aviation Consortium BP
Sellaness Industrial Building	Industrial building	Mr A McKimm
Shetland Business Innovation Centre, Gremista	Training Centre	Shetland Islands Council Train Shetland
Staney Hill Land	Development Sites	n/a
Tourist Information Office	Tourist information Office	Scottish Government
Walls	Bakery	Walls Bakery
Walls Shop	Shop	Mr & Mrs Smith
Wethersta Industrial Complex	Workshops	Hjaltland Seafarms Ltd
Whalsay Fish Factory	Fish factory	Norpak Ltd