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If calling please ask for
Edna Flaws
Direct Dial: 01595 744994

Our Ref: EM/TA48

Date: 7 June 2017

Dear Sir/Madam

You are invited to the following meeting:

**Shetland Charitable Trust
Bowlers Bar, Clickimin Leisure Complex, Lerwick
Thursday 15 June 2017 at 5.30pm**

Apologies for absence should be notified to Lynne Geddes on 01595 744592.

(Please note the venue and time of this meeting)

Yours faithfully

(signed) Dr Ann Black
Chief Executive

AGENDA

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Declarations of Interest - Trustees are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any Trustee making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from Officers prior to the meeting taking place.

(d) Confirm minutes of meeting held on 20 April 2017 (enclosed).

For Information

1. Investment Review Report – Annual Review 2016/17. Report enclosed.
2. Fund Managers Presentations.
3. Small Grant Schemes – Approvals. Report enclosed.
4. Management Accounts – Twelve Months Ended 31 March 2017. Report enclosed.
5. Payments to Trustees in the year to 31 March 2017. Report enclosed.
6. Trustee Attendance at meetings in the year to 31 March 2017. Report enclosed.

For Decision

7. Disclosure Exemptions – Charities SORP (FRS 102). Report enclosed.

*The following items contain **CONFIDENTIAL** information*

For Decision

8. Reappointment of Non Executive Director to Shetland Leasing and Property Developments Limited (SLAP). Report enclosed.
9. Shetland Heat Energy and Power Limited (SHEAP). Report enclosed.

For Information

10. Aged Debtors at 30 May 2017. Report enclosed.
11. Deeds Executed. Report enclosed.
12. Update from Chairs of Advisory Committees.
13. Update from Subsidiary Companies.

REPORT

To: Shetland Charitable Trust

Date: 15 June 2017

From: Chief Executive

Report: CT1706007

Investment Review Report – Annual Review 2016/17

1.0 Introduction

- 1.1 The purpose of this report is to inform Trustees on the position and performance of the Trust's external investments with Fund Managers for the financial year 2016/17.

2.0 Detail

- 2.1 The Trust has four Fund Managers with total investments under management at the end of March 2017 of £232 million. These investments are split between the following managers and asset classes as follows:

Funds under Management as at 31 March 2017

Manager	Fund	% of Reserves
Baillie Gifford	Equity	38%
BlackRock	Equity	37%
Schroders	Property	15%
Insight Investment Management	Diversified Growth	10%

- 2.2 A new investment strategy proposed by Mercers was approved by the Trust on 18 February 2016. Two tender exercises were then conducted by Mercers to find an equity fund manager and a diversified growth fund manager. As a result of these tenders the

Trust on 30 June 2016 awarded an equity mandate to Baillie Gifford and a diversified growth mandate to Insight.

- 2.3 The reorganisation of the Trust's investments occurred at the end of September 2016 with performance monitoring of the new strategy commencing on 1 October 2016.
- 2.4 State Street GS Performance Services ceased their performance analysis service at the end of June 2016. After a review of the options Northern Trust, the Trust's custodian, was awarded the performance analysis service for the Trust, and it was added to their existing contract.
- 2.5 Schroders, BlackRock, Insight and Baillie Gifford will give presentations at this meeting concerning their investment performance over the year to the end of March 2017.
- 2.6 The Trust's Funds, their managers, type of mandate and market value are listed below:

Manager	Mandate	Market Value (£m)	
		2017	2016
Baillie Gifford	Equity	87	-
BlackRock	Equity	86	106
Schroders	Property	36	34
Insight	Diversified Growth	23	60
		232	200

- 2.7 During 2016/17 the overall value of the Trust's funds increased by £32million.
- 2.8 This report reviews the annual performance of each manager and concentrates mainly on each fund over the short term i.e. 2016/17. At section 3 this report will review each Fund Manager in turn and compare their performance against the relevant market performance where they were asked to invest, and also against the additional out performance target they were asked to achieve.
- 2.9 Due to the nature of the investments these managers are investing into, a long-term investment view is appropriate, generally a five-year period. The report therefore looks not only at each manager's performance over 2016/17 but also at their performance over a five year period or from inception of the mandate if that is shorter.
- 2.10 In the main, this report concentrates on manager performance relative to the markets but there is a need to consider the effect of any cash withdrawals or injections to the funds and the performance

of the markets themselves. These influences can easily alter the absolute fund value.

- 2.11 The following table shows the effect on the fund due to withdrawals/additions and the market movement.

	SCT Funds	
	£ million	
	2016/17	2015/16
Opening Value	200	207
Additions/(Withdrawals)	(8)	(7)
Investment Return	40	0
Closing Value	232	200

- 2.12 The withdrawals figure from the investments relates to cash transferred back to the Trust's bank account as dividends and cash recalls.

- 2.13 The figures show an overall investment return of £40 million for the financial year 2016/17. This equates to an investment return of 19.5%. The main contribution to the investment return was the Trust's equity investments.

- 2.14 There were two dominating events during 2016/17. The first was the European Referendum where the UK stock market fell initially after the result but then went on to recover quite strongly, due mainly to the fall in the value of the pound. Later in the year saw the American Presidential Election, and equity markets rose after the result on the comments and proposed policies of the new president. Over the financial year equities were the best performing asset class, which helped to produce the investment return at 2.11.

- 2.15 The 2016/17 market performance by asset class is set out below:

		%
Equities:	UK	22.0
	North America	34.0
	Europe (Ex UK)	27.2
	Japan	31.6
	Pacific	36.1
	Emerging	34.7
Bonds:	UK Index Linked Gilts	22.0
	UK Corporate	9.2
Property		3.7
Cash		0.2

- 2.16 The best performing sector in 2016/17 was equities with impressive returns ranging from the UK at 22.0% to the Pacific region achieving a return of 36.1%. This is in contrast to 2015/16 where all of the

equity markets had negative returns apart from North America. The bond sectors in 2016/17 were also positive with UK Index Linked Gilts achieving 22.0% and corporate bonds at 9.2%. Property was the best performing asset class in 2015/16 but had a quieter year in 2016/17 with a 3.7% return. Cash returns are still low as UK interest rates remain low.

- 2.17 The main constituent of a fund's performance is the market return, i.e. where the fund is invested. Each Fund Manager is asked to outperform the market return, i.e. a UK equity scenario in 2016/17 where a Fund Manager is asked to outperform the market by 2% would equate to a 24.0% target return.
- 2.18 While this report reviews performance in 2016/17; a brief update for the start of the 2017/18 financial year sees equity markets continue to rise and OPEC looking to curb oil production to allow the oil price to strengthen. Current issues that will most likely affect markets this year are the Brexit negotiations between the UK and Europe, political uncertainty in the US and possible future interest rate movements in America.

3.0 Fund Manager Review

- 3.1 The rest of this report takes each mandate in turn and discusses manager performance.
- 3.2 A Fund Manager's performance is measured against a specific fund benchmark, which is made up of market indices of the countries where they invest.
- 3.3 A Fund Manager's target is a level of outperformance above the benchmark that is seen as achievable with a low level of measured risk on a given mandate. The Manager will actively seek to produce investment returns in order to achieve the stated target. Performance at or above target is desirable but any returns above the benchmark will add value to the fund above the market return.

Baillie Gifford - Active Equity Fund

- 3.4 Baillie Gifford was awarded an £80 million global equity mandate in June 2016 as part of the Trust's investment strategy review. They received the funds at the end of September 2016 with performance monitoring commencing October 2016.
- 3.5 Baillie Gifford is an independent investment management firm based in Edinburgh. The firm is 100% owned and managed by about 40 partners all of whom work in the business.
- 3.6 The mandate is an actively managed global equity mandate. The mandate is invested in Baillie Gifford's Long Term Global Growth

Fund, which invests in about 30 to 60 stocks globally. This fund aims to return long term growth over a 5 to 10 year time horizon.

- 3.7 The benchmark for this fund is the MSCI AC World equity index. The performance target for this fund is to beat the benchmark by 3.0% per annum.
- 3.8 The following table sets out in summary the performance of Baillie Gifford versus the benchmark and the performance target in 2016/17.

Fund Performance versus Benchmark and Target

	Fund Return (%)	Performance v Benchmark (%)	Performance v Target (%)
6 months - Oct 2016 to Mar 2017	8.6	-4.1	-5.6

The performance v benchmark figure gives the percentage that the fund has out or underperformed the benchmark return (market indices).

The performance v target figure gives the percentage that the fund has out or underperformed the set target.

- 3.9 Baillie Gifford has only been investing this mandate for the Trust for 6 months, which is a very short time period to evaluate. During which time overall returns on market indices have been particularly strong.
- 3.10 The performance figures are below the benchmark return, but the investment has returned 8.6% over the 6 month period. This mandate is invested in a small number of shares worldwide and therefore there will be a lot of volatility in the investment returns over short periods. This can be seen by looking at the quarterly return figures over the 6 month period against the benchmark return.

	Fund Return (%)	Benchmark Return (%)
Oct 16 - Dec 16	-5.1	6.5
Jan 17 - Mar 17	14.4	5.8

- 3.11 The fund after underperforming the benchmark over the initial quarter to December 2016 reversed the situation and outperformed

in the second quarter. These figures not only show the volatility of the investment returns but also the difference in the returns from the benchmark.

- 3.12 Investment returns can be volatile over the short term but it is over the long term (generally 5 years) that the performance of the fund should be evaluated and reviewed against.

BlackRock – Passive Equity Fund

- 3.13 BlackRock was initially a large US fund management business but over the past few years they have acquired Merrill Lynch and BGI, to become one of the largest global Fund Managers.
- 3.14 BGI (now BlackRock) was initially appointed as the Trust's transition manager and in that role they have the capability to hold funds on a passive basis, i.e. track the market indices. The Trust has made use of this facility, since assets were transferred to BGI (now BlackRock) in 2008. Performance monitoring commenced on 1 October 2008.
- 3.15 This is a pure equity fund with a benchmark of 50% UK equities and 50% overseas equities. As the fund is invested passively the benchmark and the target return are the same, i.e. one aim, the market index return. For performance comparison purposes the fund return is only compared against the index return. As the fund is trying to achieve the index return it is the closeness of the performance to the index that is important. A passive investment takes away the manager risk leaving just the market return risk.
- 3.16 BlackRock's investment mandate was not altered in the Trust's 2016 investment strategy review, but they did have a reduction in the assets they manage to take them in line with the new strategy.
- 3.17 The following table sets out in summary the performance of BlackRock versus the benchmark return for 2016/17, and also on a cumulative basis over a five-year investment period.

Fund Performance versus Benchmark

	Fund Return (%)	Performance v Benchmark (%)
2016/17	26.9	0.1
Five years 12/13 to 16/17	73.6	-0.3

The performance v benchmark figure gives the percentage that the fund has out or underperformed the benchmark return (market indices).

- 3.18 The equity fund with BlackRock increased in value by 26.9% in 2016/17, which is a reflection of the buoyant equity markets throughout the financial year as shown at 2.15. BlackRock were very close to the benchmark return, which shows the fund has mirrored the market return very closely.
- 3.19 On a cumulative basis over the five year rolling monitoring period the fund is 0.3% below the benchmark return, which is very close to the long-term investment aim of mirroring the performance of the markets. During this five year period the fund has increased in value by 73.6%, which equates to a return of 11.7% per annum.

Schroders – Property Fund

- 3.20 Schroders were awarded a £20 million UK property mandate in 2009 with performance monitoring beginning on the 1 July 2009. It was agreed that Schroders would be allowed time to invest, to give added protection to the capital value of the investment. Schroders have therefore only invested when good opportunities arose, to the extent that they achieved full investment of the fund in April 2013.
- 3.21 The benchmark for this fund is based on a 100% UK property investment. The Fund Manager does however have the scope to invest up to a maximum of 30% of the fund in overseas property, if attractive investment opportunities exist. So far they have not invested into any overseas property funds. Their performance target for this fund is to beat this specific benchmark by 1.0% per annum.
- 3.22 Schroders mandate was not altered as part of the Trust’s strategy review in 2016.
- 3.23 The following table sets out in summary the performance of Schroders versus the benchmark and the performance target in 2016/17 and also on a cumulative basis over a five year period.

Property Fund Performance versus Benchmark and Target

	Fund Return (%)	Performance v Benchmark (%)	Performance v Target (%)
2016/17	4.1	0.3	-0.7
Five years 12/13 to 16/17	56.8	4.4	-0.6

The performance v benchmark figure gives the percentage that the fund has out or underperformed the benchmark return (market indices).

The performance v target figure gives the percentage that the fund has out or underperformed the set target.

- 3.24 The Property Fund with Schroders returned 4.1% in 2016/17, which was 0.3% above the benchmark return but 0.7% below the target.
- 3.25 On a cumulative basis over the five year rolling monitoring period Schroders have outperformed the benchmark by 4.4% but are just below the target. The property market has produced positive returns in each of the last five years and this is reflected in the five year figures, as the fund has increased in value by 56.8%, which equates to a return of 9.4% per annum.

Insight - Diversified Growth Fund

- 3.26 Insight Investment Management is owned by Bank of New York Mellon (BONYM). BONYM have various investment businesses throughout the world but generally leave the companies alone to continue with their specialist services.
- 3.27 Insight has managed a bond fund for the Trust for many years but this fund was closed in line with the 2016 investment strategy review. Insight was awarded a new diversified growth fund mandate in June 2016 after a tender exercise as per the new investment strategy.
- 3.28 There was a reorganisation of Insight's investments into the new mandate with performance monitoring of the diversified growth fund commencing on the 1 October 2016.
- 3.29 For the first 6 months of the 2016/17 financial year Insight managed a bond fund for the Trust, and for the remaining 6 months managed a diversified growth fund.
- 3.30 As regards the bond fund it was invested against a benchmark comprising 40% in UK Government Bonds, 40% in UK Corporate Bonds and 20% in Overseas Bonds, with a target to beat a specific benchmark by 0.7% per annum.
- 3.31 The new diversified growth fund invests in a broad range of asset groups, such as equities, bonds, infrastructure, commodities, property, etc. The diversified growth fund has a fixed benchmark/target which is to beat a 3 month cash return by 3%.
- 3.32 The following table sets out in summary the performance of Insight during the year split between the bond fund and the diversified growth fund, versus their respective benchmarks and performance targets in 2016/17. The cumulative five-year investment period is also shown to give Insight's longer term investment returns.

Fund Performance versus Benchmark and Target

	Fund Return (%)	Performance v Benchmark (%)	Performance v Target (%)
2016/17 Apr - Sep Bond Fund	8.8	-0.2	-0.6
2016/17 Oct - Mar Diversified Growth Fund	3.0	1.6	1.6
Five years 12/13 to 16/17	42.1	3.1	-0.7

The performance v benchmark figure gives the percentage that the fund has out or underperformed the benchmark return (market indices).

The performance v target figure gives the percentage that the fund has out or underperformed the set target.

- 3.33 All of the bond sectors produced positive returns over the 6 month period, which is reflected in the 8.8% return. The main contributors were government bonds and corporate bonds. Insight produced a positive return but underperformed in a positive returning bond market during the first 6 months of 2016/17.
- 3.34 Over the last 6 months of the financial year the fund was invested in Insight's diversified growth fund and produced a return of 3%, which was above the benchmark. Most asset classes produced positive returns with equity returns the main driver of the performance.
- 3.35 On a cumulative basis over the five-year rolling monitoring period Insight are 3.1% above the benchmark return but below the target. The fund has over the five-year period increased in value by 42.1%, which equates to a return of 7.3% per annum.

4.0 Financial Implications

- 4.1 Performance by a Fund Manager will have long-term financial consequences for the Trust.
- 4.2 Long-term positive absolute returns will benefit the capacity of the Trust to inflation proof the Trust's capital and finance Trustees disbursement plans.
- 4.3 There are no decisions from this report, so there are no immediate financial consequences.

5.0 Investment Governance

- 5.1 The Trust receives quarterly investment performance reports covering all of the Trust's investment managers with quarterly performance and analysis of each fund along with any other relevant issues relating to the investments. These reports are in addition to the Annual Review.
- 5.2 The Trust approved to add performance analysis onto Northern Trust's custody contract, as this was the best available option and in line with general practice. This was due to State Street GS Performance Services (previously WM Company) ceasing their performance measurement service, which they had provided to the Trust for many years.
- 5.3 An investment strategy review was undertaken during 2015/16 with investment consultant Mercer, in line with the long term investment aims set by the Trust. The new investment strategy was approved by the Trustees during 2015/16 and the Trust's investments were reorganised during 2016/17 in line with the new investment strategy, with the new strategy being in place from 1 October 2016.

6.0 Conclusions

- 6.1 Baillie Gifford has only managed this new equity mandate for 6 months. This is a very short time period to look at performance. The return over the 6 month period is below benchmark but has returned 8.6%.
- 6.2 BlackRock was 0.1% away from their benchmark in 2016/17 and over the five year period they were 0.3% away from their benchmark. An index tracking fund tries to replicate the market performance and BlackRock are very close to this in 2016/17 and over the five year period. During the five year period the fund has produced an average return of 11.7% per annum.
- 6.3 Schroders outperformed their benchmark in 2016/17 but did not achieve their target. Over the five year investment period Schroders are above the benchmark return with an average return of 9.4% per annum.
- 6.4 In line with the new investment strategy Insight's bond mandate ceased at the end of September 2016 but after a tender exercise they won the diversified growth mandate which started in October 2016. The bond fund over the period to September underperformed the benchmark but returned 8.8%. The new diversified growth fund mandate over the six month period to March 2017 outperformed the benchmark. Over the five year investment period Insight are above the benchmark but below target with an average return of 7.3%.
- 6.5 All of the main investment markets produced positive returns during 2016/17 but it was the equity markets that produced the highest

returns. The Trust benefitted from this with an investment return of 19.5% in 2016/17. The Trust's externally managed reserves ended the financial year with a valuation of £232 million.

7. Recommendations

7.1 Trustees are asked to note this report.

Reference: IA7
Date: 5 June 2017

Report Number: CT1706007

REPORT

To: Shetland Charitable Trust

Date: 15 June 2017

From: Chief Executive

Report No: CT1706008

Small Grant Schemes - Approvals

1. Background

- 1.1 On 24 November 2016 Trustees approved its disbursements for 2017-18 (Minute Reference 55/16). A budget of £25,000 was approved for the Arts Grant Scheme and £15,000 for Senior Citizens Clubs.
- 1.2 It is a requirement that all approvals are reported to subsequent Trust Meetings.

2. Arts Grant Scheme - £2,857

- 2.1 The following Arts Grant was approved in the period 8 November 2016 – 30 May 2017

Name of Individual/Organisation	Grant Approved (£)
Shirley Mckay (obo Juliet Mullay)	183
Jane Matthews (obo Martha Brown)	517
Gillian Murphy (obo Claire Murphy)	381
Fiona Grieve (obo Amber Grieve)	276
Unst Festival Committee	1,500

3. Senior Citizens Clubs – £4,596

- 3.1 The following Senior Citizens Club grants were approved by the Director of Community Health and Social Care, in the period 8 November 2016 – 30 May 2017

Name of Organisation	Grant Approved (£)
Shetland Probus Club	1,176
Yell Senior Leisure Club	1,320
South Mainland Community Association – Senior Citizens	2,100

4. Recommendation

- 4.1 Trustees are asked to note the approvals listed in paragraphs 2.1 and 3.1.

Ref: DA1
Date: 30 May 2017

Report No: CT1706008

REPORT

To: Shetland Charitable Trust

Date: 15 June 2017

From: Chief Executive

Report: CT1706009

Management Accounts – Twelve Months Ended 31 March 2017

1 Introduction

1.1 The purpose of this report is to present the Trust's Management Accounts for the twelve months ended 31 March 2017, for noting. These Management Accounts deal with all income and expenditure of the Trust.

2 Management Accounts

2.1 Table 1 below shows the Summary Budget for the Charitable Trust for 2016/17 and the results in the twelve months to 31 March 2017.

Table 1: Summary Management Accounts 2016/17

Item	Current Budget £m	Spend to Mar 2017 £m
Income	7.8	4.4
Disbursements	(8.4)	(8.4)
Management and Administration	(0.7)	(0.6)
Fund Managers Fees	(0.4)	(0.6)
Gain on Investments	-	35.5
Total	(1.7)	30.3

2.2 A more detailed analysis of the figures above is set out in Appendix A.

2.3 The main item of expenditure which is over budget is maintenance for the Garrison Theatre. The maintenance works were budgeted for in 2015/16 but only completed in 2016/17.

2.4 In the twelve months ended 31 March 2017 the Trust made a gain on its investments of £35,515,755.

3 Financial Implications

3.1 No direct financial implications flow from this information report.

4 Recommendations

4.1 Trustees are asked to note the Trust's satisfactory financial performance to 31 March 2017 as shown in the Management Accounts in Appendix A.

Reference: DA5/1
Date: 30 May 2017

Report No: CT1706009



Shetland **Charitable Trust**

Management Accounts

12 Months Ended 31 March 2017

**Shetland Charitable Trust
Income and Expenditure
Period to 31 March 2017**

	<u>12 Month Actual £</u>	<u>Annual Budget £</u>	<u>Variance £</u>
<u>Income</u>			
Managed fund dividends	3,495,533	5,066,000	(1,570,467)
Agricultural loan interest	3,153	9,996	(6,843)
Local equity gift aid	(3,749)	1,744,794	(1,748,543)
Rental income	907,064	1,000,500	(93,436)
Bank interest	3,091	-	3,091
Miscellaneous income	-	-	-
	<u>4,405,092</u>	<u>7,821,290</u>	<u>(3,416,198)</u>
<u>Expenditure</u>			
Agricultural loan expenditure	(850)	-	(850)
Disbursements	(8,370,189)	(8,399,050)	28,861
Management and administration	(645,054)	(699,277)	54,223
Fund managers	(741,840)	(412,000)	(329,840)
	<u>(9,757,933)</u>	<u>(9,510,327)</u>	<u>(247,606)</u>
Gain on investments	35,515,755	-	35,515,755
Surplus/(Deficit)	<u>30,162,914</u>	<u>(1,689,037)</u>	<u>31,851,951</u>

Shetland Charitable Trust
Balance Sheet
Period to 31 March 2017

	Mar-17	
	£	£
Tangible fixed assets		4,766,269
Investments		<u>254,890,561</u>
		259,656,830
Trade debtors	2,448	
Prepayments and Accrued income	220,093	
Other debtors	-	
Bank	<u>4,617,149</u>	
	4,839,690	
Trade creditors	35,231	
Accruals and deferred income	247,048	
Amounts owed to subsidiary		
Other creditors	<u>(779)</u>	
	281,500	
Net current assets		<u>4,558,190</u>
		264,215,020
Pension liability		(1,279,000)
		<u>262,936,020</u>
Opening reserves		232,773,106
Surplus for period		<u>30,162,914</u>
Closing reserves		<u>262,936,020</u>

Shetland Charitable Trust
Rental Income
Period to 31 March 2017

	<u>12 Month Actual £</u>	<u>Annual Budget £</u>	<u>Variance £</u>
Sullom Voe Site	896,564	1,000,000	(103,436)
District heating	10,000	-	10,000
Shetland Golf Course	500	500	-
	<u>907,064</u>	<u>1,000,500</u>	<u>(93,436)</u>

**Shetland Charitable Trust
Disbursements
Period to 31 March 2017**

	12 Month Actual £	Annual Budget £	Variance £
Shetland Amenity Trust	1,281,159	1,281,159	-
Shetland Arts Development Agency	694,878	694,878	-
Shetland Recreational Trust	3,303,363	3,303,363	-
<u>Other Charitable Organisations</u>			
Disability Shetland Recreation Club	12,641	12,641	-
The Swan Trust	53,738	53,738	-
Shetland Churches Council Trust	40,503	40,503	-
Shetland Befriending Scheme	54,418	54,418	-
Citizens Advice Bureau	132,265	132,265	-
COPE Limited	154,967	154,967	-
Shetland Link Up	47,994	47,994	-
Voluntary Action Shetland	144,361	144,361	-
Festival Grants	22,500	22,500	-
Local Charitable Organisations	11,552	14,000	(2,448)
Royal Voluntary Service	46,985	46,985	-
Sub Total Charitable Organisations	6,001,324	6,003,772	(2,448)
<u>Schemes</u>			
Community Support Grants	-	-	-
Arts Grant Scheme	10,586	30,000	(19,414)
Senior Citizens Clubs	12,598	15,000	(2,402)
Support to Rural Care Model	2,302,172	2,302,172	-
Buses for Elderly and Disabled	48,106	48,106	()
Sub Total Schemes	2,373,462	2,395,278	(21,816)
<u>Direct Schemes</u>			
Planned Maintenance	-	-	-
Sub Total Direct Schemes	-	-	-
Surplus Grants Refunded	(4,597)	-	(4,597)
Total	8,370,189	8,399,050	(28,861)

Shetland Charitable Trust
Management and Administration Expenditure
Period to 31 March 2017

	12 Month Actual £	Annual Budget £	Variance £
Basic Pay and Allowances	242,910	290,000	(47,090)
Professional Membership Fees	257	1,500	(1,243)
Staff recruitment	524	5,500	(4,976)
Travel and Subsistence	7,579	7,240	339
Training and Staff Development	1,368	4,860	(3,492)
Sub Total Staffing Costs	252,638	309,100	(56,462)
Operating Costs			
Insurance	9,023	11,200	(2,177)
Administration	2,994	4,100	(1,106)
Supplies and Services	4,232	9,200	(4,968)
Bank Charges	196	500	(304)
Professional Fees: Other	41,064	40,400	664
External Audit Fees	25,800	25,000	800
Financial advice - internal investments	61,503	50,000	11,503
Trustees Expenses	4,580	5,000	(420)
Meeting expenses	1,670	4,690	(3,020)
Legal Fees	54,109	70,000	(15,891)
Trustee Recruitment Costs	6,211	5,000	1,211
Sub Total Operating Costs	211,382	225,090	(13,708)
Property Costs			
Energy Costs	5,610	7,000	(1,390)
Water Rates	1,021	2,000	(979)
Maintenance - Garrison Theatre	39,533	2,000	37,533
Maintenance - 22-24 North Road	15,648	20,260	(4,612)
Cleaning	868	1,700	(832)
Sub Total Property Costs	62,680	32,960	29,720
Bad debt write off	-	-	-
Bought In Services			
Treasury	34,464	35,100	(636)
Payroll	943	2,946	(2,003)
Pension	1,017	3,090	(2,073)
Building Maintenance	46,400	50,470	(4,070)
Committee Services	12,000	12,360	(360)
Computer Services	4,080	4,202	(122)
HR Service	-	4,000	(4,000)
Messenger Service	-	1,030	(1,030)
Insurance Admin	-	2,369	(2,369)
Peninsula	2,125	2,160	(35)
Public Relations	17,324	14,400	2,924
Sub Total Bought In Services	118,354	132,127	(13,773)
Total	645,054	699,277	(54,223)

Shetland Charitable Trust
Investment expenses
Period to 31 March 2017

	<u>12 Month</u> Actual £	<u>Annual</u> Budget £	<u>Variance</u> £
Managed fund misc	93,380	-	93,380
Fund managers fees	-	-	-
Black Rock fees	114,783	132,000	(17,217)
WM Company fees	3,467	14,000	(10,533)
Northern trust fees	40,000	40,000	-
Insight investment fees	160,930	158,000	2,930
Schroders fees	83,519	68,000	15,519
Baillie Gifford fees	245,762	-	245,762
	<u>741,840</u>	<u>412,000</u>	<u>329,840</u>

REPORT**To:** Shetland Charitable Trust

15 June 2017

From: Chief Executive

Report: CT1706010

Payments to Trustees in the year to 31 March 2017**1. Introduction**

1.1 This report is presented to show the payments which have been made to Trustees in the year to 31 March 2017.

2. Background

2.1 Trustees are entitled by law and in terms of their Trust Deed, to "reimburse the Trustees out of the Trust Fund for all expenses reasonably incurred by them in connection with the administration of the Trust".

2.2 At their meeting on 28 May 2009, Trustees requested that the payments made to Trustees are published (Min Ref CT/39/09).

3. Present Position

3.1 A spreadsheet is attached as Appendix 1, showing the expenses which have been paid to Trustees in the year to 31 March 2017, totalling £4094.91

3.2 There is an under spend of £905.09.

4. Financial Implications

4.1 A budget of £5,000 was set aside for payments to Trustees.

5. Recommendation

5.1 This report is for noting.

Reference: TA21/2
Date: 30 May 2017

Report Number CT1706010

Name	Position		Total 16/17
			£
Mr B Hunter	Chair		1369.80
Dr J Wills	Vice Chair		0
Mr M Bell			260.00
Dr A Cooper			0
Mr A Duncan			0
Mr R Henderson			866.12
Rev T Macintyre			0
Mr P Malcolmson			0
Ms A Manson			0
Mr K Massey			0
Dr I Napier			0
Mr D Ratter			1598.99
Mr J Smith			0
Ms A Westlake			0
TOTAL			4094.91

REPORT

TO: Shetland Charitable Trust

15 June 2017

FROM: Chief Executive

Report: CT1706011

Trustee Attendance at meetings in the year to 31 March 2017

1. Introduction

1.1 This report is presented to show Trustee attendance at Trust Meetings in the financial year to 31 March 2017.

2. Background

2.1 The Schedule of Governance Arrangements referred to in the 2012 Deed of Trust dated 13th and 14th September 2012 states at paragraph 6(d) "Trustees shall be required to attend in person at least one-half of Trustee meetings in each financial year of the Trust and if they do not such failure to attend may be treated as grounds on which the remaining Trustees may remove such Trustee by a resolution passed by a 75% majority of those attending and voting thereon."

3. Present Position

3.1 A table is attached as Appendix 1, showing Trustee attendance at Trustee Meetings in the financial year to 31 March 2017.

4. Recommendation

4.1 This report is for noting.

Reference: TA48
Date: 30 May 2017

Report Number CT1706011

Name	12 May 2016	30 June 2016	15 September 2016	15 September 2016 AGM	24 November 2016	16 February 2017
B Hunter	✓	✓	✓	✓	✓	✓
J Wills	✓	✓	✓	✓	✓	✓
M Bell	A	✓	A	A	A	✓
A Cooper	A	✓	✓	✓	✓	✓
A Duncan	✓	A	✓	✓	✓	✓
R Henderson	✓	✓	A	A	✓	✓
T Macintyre	✓	A	✓	✓	A	A
P Malcolmson	✓	✓	A	A	✓	✓
A Manson	A	✓	✓	✓	✓	✓
K Massey	✓	✓	✓	✓	✓	✓
I Napier	A	✓	✓	✓	A	✓
D Ratter	✓	✓	A	A	A	A
J Smith	✓	✓	✓	✓	✓	✓
A Westlake	✓	✓	A	A	✓	A

✓ = In attendance A = Apologies Received

REPORT

To: Shetland Charitable Trust

Date: 15 June 2017

From: Chief Executive

Report: CT170612

Disclosure Exemptions – Charities SORP (FRS 102)

1. Introduction

1.1 The Trustees Report and Consolidated Financial Statements to 31 March 2017 are required to be prepared under a new accounting standard, Charities SORP (FRS 102). It is a requirement of the new standard that Trustees be notified about, and do not object to, the use of the disclosure exemptions available.

2. Detail

2.1 In preparing the financial statements of Shetland Charitable Trust for the year ended 31 March 2017 the Trust has taken advantage of the disclosure exemptions allowed under UK Charities Statement of Recommended Practice (Financial Reporting Standard 102) – *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

2.2 The exemptions applied are as follows:

- Disclose key management personnel information;
- Disclosure over financial instruments;
- Disclose related party transactions; and
- Cash Flow Statement and related notes.

The Trust proposes to adopt the disclosure exemptions of the Charities SORP (FRS 102) in the financial statements to 31 March 2017.

3. Financial Implications

3.1 There are no financial implications with the adoption of the disclosure exemptions.

4. Recommendations

4.1 Trustees are asked to approve the use of disclosure exemptions detailed in paragraph 2.2 above.

Reference: TA2
Date: 26 May 2017

Report Number:CT170612