

Chief Executive: Dr Ann Black

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Shetland
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If calling please ask for
Edna Mainland
Direct Dial: 01595 744994

Our Ref: EM/TA1/1

Date: 3 September 2015

Dear Sir/Madam

You are invited to the following:

Shetland Charitable Trust
Room 12, Islesburgh Community Centre, Lerwick
Thursday 10 September 2015 at 10.00am

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

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 28 May 2015 (enclosed).

For Decision

1. Shetland Charitable Trust – Annual Reports and Accounts for the Year to 31 March 2015. Report enclosed.
2. Risk Management – Annual Review. Report enclosed.

For Information

3. Service Performance of Funded Organisations – Year Ending 31 March 2015. Report enclosed.
4. Shetland Arts Fund. Report enclosed.
5. Bus Service for the Elderly and Disabled. Report enclosed.
6. Reserves Policy. Report enclosed.
7. Management Accounts – Three Months Ended 30 June 2015. Report enclosed.
8. Fund Manager Transactions. Report enclosed.
9. Recommended Disbursements – Approvals. Report enclosed.
10. Capital Works Bridging Loan Scheme. Report enclosed.

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

For Decision

11. Shetland Heat Energy and Power Ltd. Report enclosed.
12. Shetland Leasing and Property Developments Limited – Return of Surplus Funds. Report enclosed.
13. Engagement of Media Services. Report enclosed.

For Information

14. Disability Shetland. Report enclosed.
15. Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 15 August 2015. Report enclosed.
16. Loans to Local Industry – Agricultural Loan Update. Report enclosed.
17. Update for Subsidiary Companies. Verbal update.
18. Update from Chairs of Advisory Committees. Verbal update.

REPORT

To: Shetland Charitable Trust

10 September 2015

From: Chief Executive

Report: CT1509042


Shetland Charitable Trust Annual Report and Accounts for the year to 31 March 2015

1. Introduction

- 1.1 The purpose of this report is to present the Annual Report and Accounts for the year to 31 March 2015 for approval. These are attached as Appendix A.

2. Commentary

- 2.1 Shetland Charitable Trust (the Trust) has seen an increase in funds of £16.8 million this financial year, mainly due to the gain on investments of £20.2 million. This has resulted in a strengthening of the Trusts net asset position, which now stands at £240.3million (2014: £223.5 million).
- 2.2 Total incoming resources were £8.2 million and total resources expended were £11.8 million. This loss of £3.6 million was offset by gains on investments of £20.2 million, as shown in the table on page five of Appendix B.
- 2.3 KPMG LLP have written a report, shown in Appendix B, which summarises the work of the auditors along with a summary of the Trusts financial position as at 31 March 2015. Bruce Marks of KPMG presented this report to the Audit and Governance Committee on Wednesday 31 August 2015.
- 2.4 The letter of representation from Trustees to KPMG, required to complete the audit, is attached as Appendix 4 of Appendix B.
- 2.5 Total charitable expenditure for the year was £9.8 million (2014: £10.1 million), which is within our target level of £11 million. Further information on charitable activities is provided in the Annual Report.
- 2.6 The Trust funds invested on global markets continued to grow this year, providing a gain of £20.2 million (2014: £7.3 million). The total investments of the Trust have increased by £18 million. Investment management costs for the year were £497,000 (2014: £273,000) which is an increase in the year of £224,000. This increase is due to



a change in how the fund manager's fees were accounted for during the year.

- 2.7 Gift Aid in the year totalled £2.4 million, £2 million of which was from SLAP (2014: £2 million) and £0.4 million from Shetland Heat Energy and Power Ltd (SHEAP) (2014: £0.6 million). This is a reduction of £0.2 million.
- 2.8 Programme related investments have decreased in the year due to the continue repayment of balances under the agricultural loans scheme.

3. Financial Implications

- 3.1 The Trust's net movement in funds for the year was a £16.8 million inflow (2014: £3.9 million inflow). The Trust continues to maintain a strong cash balance and has net assets at 31 March 2015 of £240.4 million (2014: £223.5 million).

4. Recommendations

- 4.1 Trustees are asked to:-
- a) approve the Annual Report and Accounts for the year to 31 March 2015 attached as Appendix A;
 - b) authorise the Chairman and Vice Chairman to sign the accounts;
 - c) authorise the Chairman to sign the Letter of Representation reproduced as Appendix B (4), and
 - d) note the summary report from KPMG LLP, the Trust's auditors, attached as Appendix B.

Reference: KE/TA2
Date: 26 August 2015

Report Number: CT1509042

Shetland Charitable Trust

Trustees' report and consolidated
financial statements

Charity number SC027025

31 March 2015

Contents

Chair's introduction	1
Trustees' Report	2
Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements	11
Independent auditor's report to the Trustees of Shetland Charitable Trust	12
Consolidated statement of financial activities	13
Trust statement of financial activities	14
Consolidated balance sheet	15
Trust balance sheet	16
Consolidated cash flow statement	17
Notes to the consolidated cash flow statement	18
Notes to the financial statements	19

Chair's introduction

We have now completed the second year of the newly constituted Shetland Charitable Trust. The first term of office for Appointed Trustees came to an end on 30 November 2014. Four Trustees left the Trust during the year and I would like to express my thanks to them all for their work and support. I would also like to welcome the new Trustees and I am sure they will make a valuable contribution to the Trust in the busy year ahead.

The three Advisory Committees have met regularly during the year. The Investment Advisory Committee has reviewed the Trust's investment in its subsidiary companies as well as the Trust's external investments, which resulted in a change in the Bond Portfolio. They also recommended the appointment of an external Financial Advisor to support the ongoing work of the Trust. The General Purposes Advisory Committee has been heavily involved in the review of the Disbursement Policy including developing the high level principles of the Trust and preparing a new Financial Plan to 31 March 2020. Finally, the Audit & Governance Advisory Committee has completely reviewed the Trust's Strategic Risks and a new Risk Register was agreed by Trustees in September 2014. They also undertook a tender process to appoint the External Auditor for the Trust.

As mentioned above, the Trust has approved a new Financial Plan which will see the spending of the Trust reduced to £8.5 million by 31 March 2020. To achieve this, the Trust will use c. £2m of the Trust reserves over the next 5 years while the funding reductions are implemented. Meantime, the Trust has set a one year holding budget for the year to 31 March 2016 while the disbursement review is completed. It is hoped the planned reduction in expenditure will allow the Trust to be self sustainable by 2020 and protect the reserves of the Trust against inflation for future generations.

I would like to take this opportunity to thank all the Trust staff for their hard work over the past year. I am also very grateful for the help and support received from all Trustees, especially the Chairs of the Committees and the Vice Chair, Jonathan Wills.

R W Hunter
Chair

10 September 2015

Trustees' Report

Section 1: Reference and Administrative Details

Name Shetland Charitable Trust
Scottish Charity Number SC027025
Address 22-24 North Road, Lerwick, Shetland, ZE1 0NQ

Trustees

Selected

R W Hunter, Chair (reappointed 1 December 2014)
 A B Cooper (appointed 26 March 2015)
 E L Fullerton (resigned 28 February 2015)
 C Hughson (resigned 30 November 2014)
 I Kinniburgh (resigned 30 November 2014)
 T Macintyre (appointed 29 May 2015)
 P Malcolmson (appointed 26 March 2015)
 K I Massey
 S M Morgan (resigned 26 March 2015)
 T M Morton (appointed 26 March 2015, resigned 8 July 2015)
 I R Napier
 J L B Smith (reappointed 1 December 2014)

Appointed by Shetland Islands Council

J W G Wills, Vice Chair
 M J Bell
 A G L Duncan
 R S Henderson
 A I Manson
 W A Ratter
 A J Westlake

Chief Executive Dr Ann Black

Bankers Bank of Scotland
 117 Commercial Street
 Lerwick
 ZE1 0DL

Auditor KPMG LLP
 191 West George Street
 Glasgow
 G2 2LJ

Solicitors -

Governance and Charity Law	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE	Commercial	Maclay Murray & Spens LLP Quartermile One 15 Lauriston Place Edinburgh EH3 9EP
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Investment Managers Insight Investment Management (Global) Limited
 160 Queen Victoria Street,
 London,
 EC4V 4LA

BlackRock Global Investors Limited
 Drapers Gardens
 12 Throgmorton Avenue
 London
 EC2N 2DL

Schroders Property Managers
 31 Gresham Street
 London
 EC2V 7QA

Trustees' Report *(continued)*

Section 1: Reference and Administrative Details *(continued)*

Custodian	The Northern Trust Company 50 Bank Street Canary Wharf London E14 5NT
Investment Consultant	Hymans Robertson LLP 20 Waterloo Street Glasgow G2 6DB
Investment Monitor	State Street 525 Ferry Road Edinburgh EH5 2AW
Financial Advisor	Noble Grossart 48 Queen Street Edinburgh EH2 3NR

Section 2: Structure, Governance and Management

Governing Document

The Shetland Charitable Trust (the Trust) was established by a Deed of Trust which was registered in the Books of Council and Session on 27 September 2012.

The Trust Deed and its schedules appoint Trustees, state the charitable purposes of the Trust and also set out the powers of the Trustees.

Charitable Status

The Trust appears in the Scottish Charity Register, number SC027025, maintained by the Office of the Scottish Charity Regulator (OSCR). In addition, any tax reliefs received by the Trust are overseen by HM Revenue and Customs (HMRC). The Trust has to demonstrate to both these regulators, on an ongoing basis, that its activities remain charitable, and in the case of OSCR, generate public benefit.

Trustees – Appointment, Induction and Training

The Trust is made up of eight appointed Trustees recommended by a selection panel and appointed by the Trustees, and seven Councillor Trustees who are elected members of, and appointed by, Shetland Islands Council.

New Trustees receive induction training and thereafter Trustee training is provided as appropriate. From time to time, Trustees receive reports on their roles and responsibilities, in line with guidance from OSCR.

Management and Administration

The Trust is managed and administered by a team of five directly employed staff. The Chief Executive's role is to ensure that the charitable activities carried out by the Trust are in furtherance of its purposes, represent value for money and complement the needs and aspirations of the community. This must all be in accordance with the Trust Deed and the law. The Chief Executive is also responsible for the effective management of the Trust's liquid resources with support from the Accountant. This includes ensuring that charitable status is retained and putting in place effective investment policies. Some specialist services are purchased from other providers, under various service level agreements.

The Trust's procedures are governed by a set of Administrative Regulations. This public document has been updated to reflect the changes in administration and is available through the Trust's website, www.shetlandcharitabletrust.co.uk.

Trustees' Report *(continued)*

Section 2: Structure, Governance and Management *(continued)*

Minutes

The public minutes of all meetings of the Trustees, together with the relevant reports, may be inspected during office hours, at the Trust's office at 22-24 North Road, Lerwick. The public minutes are also available electronically through the Trust's website.

Subsidiary Companies

The Trust has four wholly owned subsidiary companies. The following are the directors of the companies:

Shetland Leasing and Property Developments Limited (SLAP) Susan Groat – Chair
William Manson
Michael Thomson (Appointed 18 August 2014)

Shetland Heat Energy and Power Limited (SHEAP) Andrew Blackadder - Chair
Paul Clelland (Resigned 18 May 2014)
Ian Kinniburgh (Appointed 13 August 2014)
Keith Massey (Appointed 13 August 2014)
Martin Tregonning (Resigned 24 July 2014)

CT Shetland (TM) Limited is a dormant company whose present purpose is to register and own certification trademarks, for example knitwear trademarks.

C. T. Shetland (TM) Limited Keith Massey

SCT Renewables Limited has a 90% interest in Viking Energy Shetland LLP 'the Shetland Partner' in the Viking Energy Partnership.

SCT Renewables Limited James Smith

Risk Management

The Audit & Governance Advisory Committee has reviewed all the Trust risk's and prepared a new Strategic Risk Management Assessment. The Committee felt that the previous strategic risks should be separated into Strategic and Operational Risks and that the Operational Risks should be managed by the Chief Executive. They also identified that a number of the risks could be consolidated into a single strategic risk.

As a result of this review, a new Risk Management Assessment was presented to Trustees on 11 September 2014. The five strategic key risks are:

No.	Risk	Current Risk Level	Lead Committee
1	Poor Governance	Amber	Audit & Governance Advisory Committee
2	Poor Investment Decisions	Amber	Investment Advisory Committee
3	Loss of Charitable Status	Amber	Audit & Governance Advisory Committee
4	Poor Reputation	Amber	General Purposes Advisory Committee
5	Poor operation of subsidiary companies resulting in loss of earnings to the Trust	Amber	Audit & Governance Advisory Committee

Each of these Committees will take responsibility for ensuring the risk is reviewed regularly and identify the steps required to mitigate these risks. All recommendations from the Committees will be reported annually to the Board of Trustees for consideration and approval.

Trustees' Report *(continued)*

Section 2: Structure, Governance and Management *(continued)*

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditor is unaware; and each Trustee has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

Section 3: Objectives and Activities

Priorities

Trustees have identified a number of priorities which link to the objects, which are set out in the Trust Deed, which is on the Trust's website. Priority will be given to supporting projects and activities which:

- contribute to a balanced provision of public services within Shetland
- support services to people in need
- support services for the elderly
- support services for children and young people
- contribute to maintaining and developing Shetland's environment
- contribute to diversifying Shetland's economic base
- contribute to the removal of the so-called "dependency culture"
- support employment in rural areas

Strategic Partnerships

The Trust is a key partner in the Shetland Community Planning Partnership, which sets strategic direction for the community of Shetland. The role of the Partnership is to support and enhance community planning with particular regard for community engagement and partnership working. The Partnership also brings together those involved in working towards the outcomes of the Shetland Community Plan, to provide an effective link between strategic direction and coordinated planning.

In furtherance of its charitable activities set out in the Trust Deed, the Trust endeavours to "top up" public services, in line with the community's needs, which are complementary to those provided by national and local taxation.

The Trust wishes to ensure that the charitable activities it carries out are appropriate and complementary to those activities carried out by other community and public bodies. Rather than employ people who are experts in particular fields, the Trust seeks advice from appropriate professional bodies as to what activities it might carry out for the public benefit of the inhabitants of Shetland.

The Trust also uses Service Co-ordinators to provide professional advice, with the final decision to support a project or activity lying with the Trustees. Any grant recipient is subject to "performance monitoring", which is carried out with the expert help of the Service Co-ordinators.

Grant Making Policy

The Trust is primarily a strategic funding body providing funding for other organisations to carry out their charitable activities and only undertakes a small amount of direct charitable activity in the Shetland community itself. The Trust can only give grants or loans in furtherance of its charitable purposes narrated in the Trust Deed and where a benefit to the Shetland community is clearly demonstrable.

Financial Objectives

In the three year period ending on 31 March 2015, Trustees agreed that annual expenditure needed to be reduced by £1.2 million to £11 million to comply with the Trust's long term strategy of 'self sustainability', i.e. only spending the (average) growth in the fund after inflation, and so preserving the real value of the capital sum.

Trustees have agreed to continue with the long-term financial strategy of passing the "pot" on to future generations, and so limiting annual expenditure to the average growth on the investments above inflation. The year to 31 March 2015 is the last year of the three year funding packages currently offered.

Trustees' Report (continued)

Section 3: Objectives and Activities (continued)

Trustees have approved a new Financial Plan which will run to 31 March 2020. The aim of this plan is to reduce the expenditure of the Trust to £8.5 million by 2020. It was felt that the maximum expenditure of £11 million in the previous financial plan did not allow the Trust to be sustainable. A standstill budget has been set for the year to 31 March 2016 while the disbursements review is completed.

Budgets

Each year the Trustees adopt a budget for the incoming financial year. Details of the budget approved by Trustees are given in column one of the tables on pages 7 and 8, with details of the actual spend in column two, and a comparison with the previous year in column three.

Section 4: Achievements and Performance

During the year to 31 March 2015, the Trust provided grant assistance to the following organisations towards the cost of providing a range of social, leisure, cultural, heritage and environmental activities:

- Citizens Advice Bureau
- COPE Ltd
- Disability Shetland
- Festivals: Folk Festival
- New Shetlander
- Shetland Link-up
- Shetland Amenity Trust
- Shetland Arts
- Shetland Befriending Scheme
- Shetland Churches Council Trust
- Festivals: Fiddle and Accordion
- Voluntary Action Shetland
- Shetland Recreational Trust
- The Swan Trust

The Trust allows organisations which it funds to hold small reserves for unforeseen items and to help with cash flow, rather than them having to return all unspent balances to the Trust.

The Trust has worked with the organisations funded to develop a system of service performance reporting. Trustees considered a progress report on service performance in September 2014, which set out, in detail, how the Trust's money makes a difference to people and communities. On the whole, Trustees were satisfied that most organisations were performing satisfactorily against their stated targets, and there were no significant areas of concern.

The Trust also supported a range of charitable projects and schemes, as set out below:

- Financial Hardship Scheme
- Community Support Grant Aid Scheme
- Arts Grant Aid Scheme
- Senior Citizen's Clubs
- Rural Care Model
- Local Charitable Organisations
- Social Assistance Grants
- Bus Services Elderly and Disabled

Over the years, the Trust has invested in a range of community facilities and equipment and has in place a planned maintenance programme to ensure that the buildings, equipment and other assets are well maintained and in good condition. The facilities and assets include:

- Leisure facilities in Unst, Yell, Brae, Aith, Whalsay, Scalloway and Sandwick
- The Clickimin Complex in Lerwick
- Care centres in Unst, Yell, Whalsay, Brae, Walls and Levenwick
- The Garrison Theatre in Lerwick
- The new Museum and Archives in Lerwick
- Market House, the Voluntary Resource Centre in Lerwick
- Various offices and other buildings for local charities
- The Swan, heritage sailing vessel

Details of the activities and performance of the Trust's subsidiary companies are provided in Section 5 of this report. In summary, SLAP and SHEAP have generated profits for the Trust in 2014/15. The rental from the land at the Sullom Voe terminal also made a contribution.

Trustees' Report *(continued)*

Section 4: Achievements and Performance *(continued)*

Charitable Expenditure

	2014/15 budget	Actual spend to 31 March 2015	2014 spend
	£	£	£
<u>Trusts over £0.5m</u>			
Shetland Amenity Trust	1,052,728	1,052,728	1,052,728
Shetland Arts Development Agency	696,038	696,038	696,038
Shetland Recreational Trust	2,518,550	2,518,550	2,518,550
<u>Other Charitable Organisations</u>			
Disability Shetland Recreation Club	12,641	12,641	12,641
The Swan Trust	44,650	44,650	44,650
VAS - New Shetlander	670	670	670
Shetland Churches Council Trust	54,055	54,055	54,055
Shetland Befriending Scheme	54,418	54,418	54,418
Citizens Advice Bureau	132,265	132,265	147,383
COPE Limited	154,967	154,967	154,967
Couple Counselling Shetland	-	-	12,000
Shetland Link Up	47,994	47,994	47,994
Voluntary Action Shetland	144,367	135,754	144,368
Festival Grants	30,000	30,000	30,000
Local Charitable Organisations	14,000	11,552	11,552
Royal Voluntary Service	47,622	47,622	47,622
Peer education project	-	-	12,000
Sub Total Organisations	5,004,965	4,993,904	5,041,636

Trustees' Report *(continued)*

Section 4: Achievements and Performance *(continued)*

	2014/15 budget £	Actual spend to 31 March 2015 £	2014 spend £
<u>Schemes</u>			
Community Development Grants	-	-	6,951
Community Support Grants	54,241	52,967	77,703
Arts Grant Scheme	35,000	26,658	29,366
Senior Citizen's Clubs	20,000	12,828	15,531
Support to Rural Care Model	2,491,000	2,491,000	2,491,000
Social Assistance Grants	5,000	-	1,032
Buses for Elderly and Disabled	49,980	49,980	49,980
Supported Employment	-	-	7,514
Sub Total Schemes	2,655,221	2,633,433	2,679,077
<u>Direct Schemes</u>			
Springfield Chalet	-	-	819
Financial Hardship Scheme	157,000	157,382	382,026
Planned Maintenance	1,771,664	1,715,710	1,562,497
Sub Total Direct Schemes	1,928,664	1,873,092	1,945,342
<u>One-Off Projects</u>			
Scalloway Swimming Pool Roof	-	-	(413)
Sub Total One-Off Projects	-	-	(413)
Surplus Grants Refunded	-	(76,695)	(229,295)
Sub-total charitable expenditure	9,588,850	9,423,734	9,436,347
Trust Administration, including governance costs	508,860	437,108	693,699
Total	10,097,710	9,860,842	10,130,046

Total charitable expenditure and administration costs are shown before adjustment for pension adjustments under FRS 17 totalling £80,000, and reallocation of governance costs, as detailed in Note 2 to the financial statements.

Trustees' Report *(continued)*

Section 5: Financial Review

Growth and Unrestricted Funds

The Trust relies chiefly on funds generated by investments on the world's markets. Around £24.8 million was generated in 2014/15. This includes the growth in value of the investments as well as dividend income received. In addition, in 2014/15, around £3.7 million income was derived from investments in Shetland, valued at around £28 million. These investments are in SLAP, the land at Sullom Voe Terminal and the District Heating Scheme infrastructure.

The Trust Deed does not require the Trust to distinguish between revenue and capital (income or expenditure), and all of the Trust's funds are 'unrestricted' (see below). These two things together mean that although the general funds are shown as being in deficit in the financial statements, there are no practical consequences flowing from this.

Reserves Policy

The policy of the Trustees is to invest the reserves of the Trust to generate income to support charitable expenditure and to maintain the real value of the reserves in the long term. The current value (as at 31 March 2015) of the Trust's reserves that are invested to generate income (i.e. not the 'Donated Properties') is around £229.9 million. Trustees seek to minimise risk through diversification within its investments and take advice, as appropriate, in determining the mix of asset types in its investments. None of the Trust's funds are for restricted purposes. Trustees are free to determine how to apply their Unrestricted Reserves in a manner consistent with the Trust objectives and in line with its Budget Strategy.

Investments

The Trust's capital has been invested by the Trustees in three main areas:

- Shares and other securities quoted on the world's Stock Exchanges
- Cash on deposit
- Subsidiary companies

2014/15 was a good year for investment returns, achieving £27.6 million (about 12%).

Stock Exchanges

As at 31 March 2015, three fund managers managed the Trust's Stock Exchanges portfolio. BlackRock Global Investors manage around £117 million invested in equities (shares), Insight Investment manage around £60 million in bonds, and Schroders Property Managers manage around £30 million in commercial property.

Cash on Deposit

The Trust has entered into a Service Level Agreement with Shetland Islands Council whereby the Trust has access to the money markets at a level which it may not have been able to achieve on its own. Surplus cash has achieved at least base rate by this mechanism.

Subsidiary Companies

Shetland Leasing and Property Developments Limited (SLAP) is a wholly owned subsidiary of the Trust. Its main activity is the purchasing, developing and letting of about 30 properties throughout Shetland. SLAP gift aids its profits to the Trust. The property portfolio is valued at £19 million and it generated rental income of over £2.4 million in 2014/15. The Board of Directors resolved to make a gift aid payment of £2.2 million to the Trust in the financial year 2014/15. This mechanism means that neither body pays tax on the profits.

Shetland Heat Energy and Power Limited (SHEAP) is a wholly owned subsidiary of the Trust, set up to operate the Lerwick District Heating Scheme. SHEAP has over 1,100 customers receiving heat. The Board of Directors resolved to make a gift aid payment of £0.4 million to the Trust in the financial year 2014/15.

SCT Renewables Limited is a 100% owned subsidiary of the Trust. The Trust has invested £6.6 million at 31 March 2015. It participates in the Viking Energy project which is investigating a very large wind farm project in central Shetland.

C.T. Shetland (T.M.) Limited does not trade. The purpose of the company is to register and own certification trademarks, for example, the knitwear trademark known as *the Shetland Lady*.

Trustees' Report *(continued)*

Section 5: Financial Review *(continued)*

Decisions about Investments

When the Trustees make decisions about investing the Trust's capital, the law requires them to seek appropriate advice and act as reasonably prudently as commercial investors would. An investor is concerned with various criteria when investing money; these include rate of return (dividends / income / rent / interest earned), capital growth, and just how safe the money is. This applies whether the investments are on a Stock Exchange, or when they involve local assets. Investment, wherever it is made, involves using Trust funds wisely so as to produce income and to increase the value of those funds. To do this properly the Trust has to act commercially. It cannot "act charitably" towards its investments. Trustees reviewed their long term investment strategy in 2011.

Trustees have to balance the higher average return, but higher variation in annual returns of shares, with the lower but more consistent average annual returns of other assets suitable for an institutional investor. After considering appropriate advice, Trustees have continued with an investment strategy based on a 50% shares: 50% non-shares approach. Trustees have considered the legal, financial and ethical aspects of various possible socially responsible investment mechanisms. Trustees have agreed to a policy of engagement on these issues with investee companies, through the fund managers.

Section 6: Plans For The Future

The Trust is currently concentrating on the financial sustainability of the Trust. The Financial Plan which has been approved aims to reduce expenditure to £8.5 million by 2020. Trustees will have to concentrate on completing the final parts of the Disbursements Review in order to implement required measures to achieve the plan.

The Trust will also be seeking expert financial advice on the Viking Energy Project and any potential further investment by the Trust.

Finally, the Trust must undertake a review of its Governance by 2017 as was agreed when the Trust was reconstituted. This review is to be completed during 2016.

R W Hunter
Chair

10 September 2015

Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements

Under charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year. The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the groups and the charity's excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the Trust Deed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue its activities.

The trustees are required to act in accordance with the Trust Deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the group and charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Trust Deed, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ABCD

191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditor's report to the Trustees of Shetland Charitable Trust

We have audited the group and charity financial statements ("the financial statements") of Shetland Charitable Trust for the year ended 31 March 2015 set out on pages 13 to 34. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the Trustees are responsible for the preparation of financial statements which 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 report to you in accordance with the regulations made under that Act. 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 Auditing Practices Board'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 website 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 group's and the charity's affairs as at 31 March 2015 and of the group's and charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Bruce Marks

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

[date]

Consolidated statement of financial activities

for the year ended 31 March 2015

	Note	Unrestricted funds		2015 Total £000	2014 Total £000
		General funds £000	Expendable endowment £000		
Incoming resources					
<i>Incoming resources from generated funds</i>					
Activities for generating funds – trading subsidiaries	6	4,620	-	4,620	4,501
Investment income		4,675	-	4,675	4,760
Donations		-	-	-	83
<i>Other incoming resources</i>					
Rental income		1,047	-	1,047	986
Other income		6	-	6	122
Total incoming resources		10,348	-	10,348	10,452
Resources expended					
<i>Cost of generating funds</i>					
Expenditure of trading subsidiaries	6	(2,237)	-	(2,237)	(2,756)
Investment management costs		(497)	-	(497)	(273)
Provision made against equity investment	6	(247)	-	(247)	(87)
<i>Charitable activities</i>	2	(9,841)	(1,216)	(11,057)	(11,318)
<i>Governance costs</i>	2	(101)	-	(101)	(103)
Total resources expended		(12,923)	(1,216)	(14,139)	(14,537)
Net outgoing resources before other recognised gains and losses		(2,575)	(1,216)	(3,791)	(4,085)
Other recognised gains and losses					
Gains on managed fund investments	12	-	20,214	20,214	7,377
Actuarial gains/(losses) in defined benefit pension scheme	12	250	-	250	(117)
Realised loss on revaluation of investment properties	12	(17)	-	(17)	(55)
Net movement in funds		(2,342)	18,998	16,656	3,120
Fund balances brought forward	12	(2,546)	231,588	229,042	225,922
Fund balances carried forward		(4,888)	250,586	245,698	229,042

All funds are unrestricted income funds. The incoming resources and resulting net movement in funds all arose from continuing operations. All gains and losses recognised in the year are included above.

The notes on pages 19 to 34 form a part of the financial statements.

Trust statement of financial activities

for the year ended 31 March 2015

	Note	Unrestricted funds		2015	2014
		General funds £000	Expendable endowment £000	Total £000	Total £000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Investment income		4,675	-	4,675	4,737
Gift aid receipts from subsidiary undertakings	6	2,482	-	2,482	2,555
Donations		-	-	-	83
<i>Other incoming resources</i>					
Rental income		1,047	-	1,047	986
Other income		6	-	6	173
Total incoming resources		<u>8,210</u>	<u>-</u>	<u>8,210</u>	<u>8,534</u>
Resources expended					
<i>Cost of generating funds</i>					
Investment management costs		(497)	-	(497)	(273)
Provision made against equity investment	6	(193)	-	(193)	(150)
<i>Charitable activities</i>	2	(9,841)	(1,216)	(11,057)	(11,318)
<i>Governance costs</i>	2	(101)	-	(101)	(103)
Total resources expended		<u>(10,632)</u>	<u>(1,216)</u>	<u>(11,848)</u>	<u>(11,844)</u>
Net outgoing resources before other recognised gains and losses					
		(2,422)	(1,216)	(3,638)	(3,310)
Other recognised gains and losses					
Gains on managed fund investments	12	-	20,214	20,214	7,377
Actuarial gains/(losses) in defined benefit pension Scheme	12	250	-	250	(117)
Net movement in funds		<u>(2,172)</u>	<u>18,998</u>	<u>16,826</u>	<u>3,950</u>
Total funds brought forward		<u>(8,052)</u>	<u>231,588</u>	<u>223,536</u>	<u>219,586</u>
Fund balances carried forward		<u><u>(10,224)</u></u>	<u><u>250,586</u></u>	<u><u>240,362</u></u>	<u><u>223,536</u></u>

All funds are unrestricted income funds. The incoming resources and resulting net movement in funds all arose from continuing operations. All gains and losses recognised in the year are included above.

The notes on pages 19 to 34 form a part of the financial statements.

Consolidated balance sheet

as at 31 March 2015

	<i>Note</i>	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	4		25,472		28,449
Investments	5	207,011		188,929	
Programme-related investments	6, 7	4,718		4,808	
			211,729		193,737
Total fixed assets			237,201		222,186
Current assets					
Stocks		38		59	
Debtors	8	3,363		2,412	
Cash at bank and in hand		8,600		8,060	
Total current assets		12,001		10,531	
Creditors: amounts falling due within one year	9	(1,656)		(1,605)	
Net current assets			10,345		8,926
Total assets less current liabilities			247,546		231,112
Provisions for liabilities and charges	10		(223)		(275)
Net assets excluding pension liability			247,323		230,837
Pension liability	13		(1,625)		(1,795)
Net assets including pension liability			245,698		229,042
Represented by:					
Expendable endowment	11		250,586		231,588
Unrestricted income funds:	12				
General funds			(8,406)		(6,258)
Trading funds			5,014		5,361
Revaluation reserve			129		146
Unrestricted income funds excluding pension reserve			(3,263)		(751)
Pension reserve	12		(1,625)		(1,795)
Total unrestricted income funds	12		(4,888)		(2,546)
Total group funds			245,698		229,042

These financial statements were approved by the trustees on 10 September 2015 and were signed on their behalf by:

R W Hunter
Chairman

J W G Wills
Vice-Chairman

The notes on pages 19 to 34 form a part of these financial statements.

Trust balance sheet

as at 31 March 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	4		5,983		7,199
Investments	5	207,011		188,929	
Programme-related investments	6, 7	22,731		22,768	
			<u>229,742</u>		<u>211,697</u>
Total fixed assets			235,725		218,896
Current assets					
Debtors	8	3,225		3,277	
Cash at bank and in hand		3,495		3,331	
			<u>6,720</u>	<u>6,608</u>	
Total current assets		6,720		6,608	
Creditors: amounts falling due within one year	9	(458)		(173)	
			<u>6,262</u>	<u>6,435</u>	
Net current assets			6,262	6,435	
Net assets excluding pension liability			241,987	225,331	
Pension liability	13		(1,625)	(1,795)	
			<u>240,362</u>	<u>223,536</u>	
Net assets including pension liability			240,362	223,536	
Represented by:					
Expendable endowment	11		250,586		231,588
Unrestricted income funds:					
General funds	12		(8,599)		(6,257)
Pension reserve	12		(1,625)		(1,795)
			<u>(10,224)</u>	<u>(8,052)</u>	
Total unrestricted income funds	12		(10,224)	(8,052)	
			<u>240,362</u>	<u>223,536</u>	
Total Trust funds			240,362	223,536	

These financial statements were approved by the trustees on 10 September 2015 and were signed on their behalf by:

R W Hunter
Chairman

J W G Wills
Vice-Chairman

The notes on pages 19 to 34 form a part of these financial statements.

Consolidated cash flow statement

for the year ended 31 March 2015

	2015 £000	2015 £000	2014 £000	2014 £000
Net cash outflow from operating activities		(6,061)		(8,574)
Returns on investment and servicing of finance				
Investment income and interest received		4,675		4,760
Capital expenditure and financial investment				
Purchase of managed funds investments	(231,987)		(56,562)	
Purchase of tangible fixed assets	(280)		(1,055)	
Purchase of shares within joint venture	90		(746)	
Sale of managed funds investments	212,531		59,233	
	<hr/>		<hr/>	
Net cash (outflow)/inflow from capital expenditure and financial investment		(19,646)		870
Management of liquid resources				
Net movement in cash flows attributable to managed fund investments		1,832		282
Funds withdrawn from short term deposit (net)		19,740		3,385
		<hr/>		<hr/>
Increase in cash in the year		540		723
		<hr/> <hr/>		<hr/> <hr/>

Notes to the consolidated cash flow statement
for the year ended 31 March 2015

Reconciliation of net outgoing resources to net cash outflow from operating activities	2015	2014
	£000	£000
Net outgoing resources before other recognised gains and losses	(3,791)	(4,085)
Loss on sale of fixed assets	1,254	41
Investment income and interest receivable	(4,675)	(4,760)
Depreciation and impairment of tangible fixed assets	2,003	2,001
Movement in pension liability, excluding actuarial gains and losses	80	85
(Decrease)/increase in stock	21	(11)
Increase in debtors	(951)	(107)
Increase/(decrease) in creditors	50	(1,717)
Decrease in provisions	(52)	(21)
	<hr/>	<hr/>
Net cash outflow from operating activities	(6,061)	(8,574)
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of net cash flow to movement in net funds	2015	2014
	£000	£000
Increase in cash in the year	540	723
Cash (outflow)/inflow from (decrease)/increase in liquid resources	(2,779)	183
	<hr/>	<hr/>
Change in net funds resulting from cash flows	(2,239)	906
Net funds at the start of the year	13,976	13,070
	<hr/>	<hr/>
Net funds at the end of the year	11,737	13,976
	<hr/> <hr/>	<hr/> <hr/>
Net funds comprise:		
Cash in hand held by investment managers	3,137	5,916
Cash at bank and in hand	8,600	8,060
	<hr/>	<hr/>
	11,737	13,976
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules, as modified by the revaluation of investments and in accordance with applicable accounting standards and the provisions of the Trust Deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

Shetland Charitable Trust has three 100% owned subsidiary companies which are trading. The Trust and its subsidiaries have taken advantage of the exemption contained in FRS 8 *Related parties* and have therefore not disclosed transactions or balances between the parent or entities which form part of the group (or investees of the group qualifying as related parties).

Basis of consolidation

These financial statements consolidate the assets and liabilities of the charity and its subsidiaries, Shetland Leasing and Property Developments Limited, Shetland Heat Energy and Power Limited, and SCT Renewables Limited (formerly known as Viking Energy Limited), on a line by line basis. The income and expenditure of these subsidiaries are also consolidated on a line by line basis, where appropriate.

In accordance with FRS 21 *Events after the balance sheet date*, gift aid payments are accounted for in the subsidiary undertakings in the year in which an irrevocable commitment to make a payment has been made.

Fund accounting

All funds of the Trust are unrestricted, to be used in accordance with the charitable objectives of the Trust at the discretion of the trustees. The expendable endowment represents the long-term investment funds of the Trust. The unrestricted income funds include the Trust's general funds, which represent the annual operating funds of the Trust, and the trading funds.

The trading funds represent the accumulated results of Shetland Leasing and Property Developments Limited, Shetland Heat Energy and Power Limited, and SCT Renewables Limited, adjusted to remove interest payable by the Trust to those companies and gift aid payments to the Trust by those companies.

Incoming resources

Activities for generating funds

Turnover in Shetland Leasing and Property Development Limited comprises rental income from the leasing of investment properties, the leasing of an aeroplane and the chartering of a vessel and arises entirely in the United Kingdom. Rental income from the operating lease of investment properties is recognised on a straight line basis over the period of the lease. Certain of the group's property developments and lease agreements provide for a notional rate of interest to be charged on development costs for the purpose of calculating the rental due. Such notional interest is not reflected in these financial statements, but will effectively be credited to the statement of financial activities over the lives of the relevant assets as a component of rental income.

Turnover in Shetland Heat Energy and Power Limited represents the amounts (excluding value added tax) derived from the supply of hot water for heating systems and arises entirely in the United Kingdom.

Turnover in SCT Renewables Limited represents miscellaneous income only as the company is not yet trading fully.

Investment income

Dividends are included within incoming resources when they are receivable. Loan interest is included in the statement of financial activities on an accruals basis.

Notes (continued)

1 Accounting policies (continued)

Other incoming resources

Rental income included within accruals and deferred income in the balance sheet is credited to incoming resources over the period of the lease to which it relates.

Donated assets

Tangible fixed assets donated to the Trust are accounted for as incoming resources within the expendable endowment at valuation or cost. The assets are depreciated in accordance with the Trust's depreciation policy.

Resources expended

Charitable expenditure is recognised when it is payable. The Trust has given commitments to certain charitable bodies to provide ongoing revenue funding and to finance various capital projects. In view of the long-term nature of these commitments which are subject to review, combined with the uncertainty as to the amounts involved, these commitments are accounted for only when irreversible decisions on funding are communicated to the charitable bodies.

Support costs are directly attributable to the Trust's charitable activities and are recorded within the "charitable activities" section of resources expended in the statement of financial activities.

Cost of generating funds

The cost of generating funds represents fund managers' fees.

Governance costs

Governance costs comprise the costs associated with the Trust's compliance with charity regulation and good practice and include related professional fees.

Grants

Capital based grants received by the Trust's subsidiary undertakings are included within accruals and deferred income in the balance sheet and credited to activities for generating funds over the estimated useful economic lives of the assets to which they relate.

Investments

Managed funds investments are stated at market value. Realised and unrealised gains and losses arising on these investments are taken to the expendable endowment and are included within other recognised gains and losses in the statement of financial activities. Where investments are transferred between investment managers, an amount equal to the unrealised gains or losses on the investments as at the time of transfer is taken to the expendable endowment.

Investments in subsidiary undertakings are stated at cost less provisions. Any provisions made against these investments are charged to the expendable endowment.

Tangible fixed assets and depreciation

All expenditure incurred on tangible fixed assets is capitalised irrespective of its value (i.e. there is no minimum level above which assets purchased are capitalised). Tangible fixed assets are capitalised at cost, with the exception of investment properties.

Depreciation is charged to the expendable endowment to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	-	7 to 10 years
Fixtures and fittings	-	3 to 5 years
Plant and machinery	-	10 years
Vessel and aircraft	-	10 years or 20 years

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

The asset value of the Sullom Voe site is being depreciated over its estimated remaining economic life of ten years commencing 1 April 2012, and the district heating scheme infrastructure is depreciated over a period of 30 years commencing on 1 April 2004. The depreciation is charged to the expendable endowment. No depreciation is provided in respect of freehold land.

Where the recoverable amount of a tangible fixed asset is found to be below its net book value, the asset is written down to its recoverable amount and the loss on impairment is charged to the relevant resources expended category in the statement of financial activities.

Investment properties

In accordance with Statement of Standard Accounting Practice No. 19 *Investment properties*, properties (including properties held under leases with more than 20 years' unexpired lease term) are not depreciated or amortised but are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Where a deficit arising on revaluation is expected to be permanent, the deficit is charged to resources expended in the period of revaluation. Reversals of deficits previously treated as permanent are credited to net incoming resources to the extent that the carrying value remains below cost.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2011 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2011 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. There is no similar exemption for VAT.

The charge or credit for taxation is based on the results of the consolidated subsidiary companies for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. The charge or credit is taken to expenditure of trading subsidiaries within the statement of financial activities. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 *Deferred tax*.

Pension costs

The Trust participates in the Local Government Pension Scheme administered by Shetland Islands Council. This scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

The pension scheme assets are measured using market values. For quoted securities the mid-market price is taken as market value. The pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. Current service costs are recorded within resources expended. The net return obtained on scheme assets is recorded as investment income. Actuarial gains and losses are recognised immediately in other recognised gains and losses within the statement of financial activities.

Stock

Stocks are valued at the lower of cost and net realisable value.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year.

Notes (continued)

2 Cost of activities in furtherance of the charity's objects

Charitable expenditure

The group's charitable expenditure, which mainly comprises grants payable in respect of the year, is summarised below:

	2015 £000	2014 £000
General funds		
Payments to charitable organisations	4,994	5,041
Schemes	2,634	2,679
Direct schemes	1,873	1,945
Charitable grants repaid	(76)	(229)
	<hr/>	<hr/>
Total charitable grants	9,425	9,436
Support costs, excluding governance costs (below)	336	591
Pension adjustments under FRS 17	80	85
	<hr/>	<hr/>
Total charitable expenditure – general funds	9,841	10,112
	<hr/>	<hr/>
Expendable endowment		
Depreciation – see note 4	1,216	1,206
	<hr/>	<hr/>
Total resources expended on charitable activities	11,057	11,318
	<hr/> <hr/>	<hr/> <hr/>

Included within Direct Schemes are the Trust's Financial Hardship Scheme payments to pensioners and disabled persons and Social Assistance grants, both of which are payable to individuals. Some payment from the Arts Grant Scheme are also made to individuals. All other grants are payable to organisations. Further details of the group's charitable expenditure are included in Section 4 of the Trustees' Report.

Support costs

Support costs for the year of £336,000 (2014: £591,000) principally represent administration expenses and are all deemed to be attributable to the group's charitable activities. Included within administration expenses is £497,000 (2014: £696,000) in respect of staff costs (see note 3), of which £267,405 (2014: £309,948) was charged to subsidiaries.

Governance costs

Governance costs totalling £101,000 (2014: £103,000) comprise the costs associated with the Trust's compliance with charity regulation and good practice. They include £29,000 (2014: £30,000) representing an appropriate apportionment of salary costs based on the proportion of the Chief Executives time spent on governance, together with Trustees' expenses (note 3), and audit fees of £21,000 (2014: £25,000).

	Group and charity	
	Total 2015 £'000	Total 2014 £'000
Allocation of staff and support costs, including Trustees' allowance and expenses (see note 3)	29	30
Other costs	51	48
External auditor's remuneration:		
Audit of these financial statements	21	25
Audit of subsidiary undertakings (excluded from charitable governance costs)	11	18
Other services: taxation in relation to subsidiary undertakings	7	18
	<hr/>	<hr/>
Total governance costs	101	103
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

3 Staff numbers and costs

The group had an average of 13 employees during the year (2014: 13). The aggregate payroll cost of these employees was as follows:

	2015 £000	2014 £000
Wages and salaries	399	523
Social security costs	31	34
Pension costs	67	139
	497	696
	497	696

Employee costs totalling £267,405 (2014: £309,948) were charged by Shetland Charitable Trust in respect of work performed by its subsidiary companies. Six employees worked wholly or mainly on Shetland Heat Energy and Powers Limited's activities during the year. One employee worked part-time on SCT Renewables Limited's activities during the year.

No employee (2014: one employee) received an emolument totalling between £70,000 and £79,999 and one employee (2014: none) received an emolument totalling between £80,000 and £89,999. Retirement benefits are accruing to these members of staff under a defined benefit pension scheme; contributions in 2014/15 totalled £12,548. No other employees received emoluments totalling in excess of £60,000 in either the current or previous financial year.

Expenses totalling £3,962 (2014: £4,091) were reimbursed to 5 trustees (2014: 6 trustees) during the year.

4 Tangible fixed assets

Group	Land and buildings £000	District heating scheme infrastructure £000	Investment properties £000	Vessel and aircraft £000	Other plant and machinery and AUC £000	Total £000
Cost or valuation						
At beginning of year	25,482	17,137	17,734	865	4,437	65,655
Additions	-	-	171	-	109	280
Disposals	(48)	-	(1,226)	-	-	(1,274)
Transfers	-	-	1,992	-	(1,992)	-
	25,434	17,137	18,671	865	2,554	64,661
Depreciation						
At beginning of year	22,818	12,573	-	456	1,359	37,206
Charge for year	990	227	-	34	752	2,003
Disposals	(20)	-	-	-	-	(20)
	23,788	12,800	-	490	2,111	39,189
Net book value						
At 31 March 2015	1,646	4,337	18,671	375	443	25,472
At 31 March 2014	2,664	4,564	17,734	409	3,078	28,449

Notes (continued)

4 Tangible fixed assets (continued)

Land and buildings primarily consist of the site at Sullom Voe, plus the six rural care homes, previously operated by Shetland Welfare Trust, and donated to the Trust in 2007. The rural care homes had been previously funded by the Trust and the capital grant conditions applied to the funding to Shetland Welfare Trust required any building owned by Shetland Welfare Trust to be transferred to the Trust when Shetland Welfare Trust ceased to operate (effectively 1 April 2006). These are specialised buildings in rural locations in Shetland without comparators, which mean that it is not possible to establish a meaningful valuation for them in their present use. The Trustees therefore capitalised them at original cost, in line with the Trust's accounting policy for tangible fixed assets, which they believed to be a reasonable indication of their value at the date they were donated. The buildings continue to be used as care homes, in furtherance of the Trust's charitable objects, and as such are not held for investment purposes.

The investment properties were valued on an open market value for existing use basis as at 31 March 2013 by Stephen Johnston BSc FRICS of David Adamson & Partners. These valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual Practice Statements.

The net book value of other tangible fixed assets is analysed as follows:

	2015		
	£000		2014 £000
Plant and machinery, fixtures and fittings held by Shetland Heat Energy and Power Limited	438		421
Assets under construction held by Shetland Leasing and Property Development Limited	-		2,651
	<hr/>		<hr/>
Charity		District heating scheme infrastructure	
	Land and buildings	Donated Assets	Total
	£000	£000	£000
<i>Cost</i>			
At beginning and end of year	16,275	9,159	17,137
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	15,675	7,124	12,573
Charge for year	75	914	227
	<hr/>	<hr/>	<hr/>
At end of year	15,750	8,038	12,800
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2015	525	1,121	4,337
	<hr/>	<hr/>	<hr/>
At 31 March 2014	600	2,035	4,564
	<hr/>	<hr/>	<hr/>

Notes (continued)

5 Managed funds

Group and Charity	2015 Market Value £000	2015 Cost £000	2014 Market Value £000	2014 Cost £000
Listed investments:				
UK Government securities	14,993	13,608	18,540	18,538
Other UK fixed interest	30,304	27,434	19,662	17,870
Other Overseas fixed interest	14,576	11,823	8,946	6,972
	<u>59,873</u>	<u>52,865</u>	47,148	43,380
UK equities	57,753	56,137	55,097	42,318
Overseas equities	58,878	33,296	55,559	36,200
Property units	27,457	22,680	25,135	22,675
	<u>144,088</u>	<u>112,113</u>	135,791	101,193
Total investments	203,961	164,978	182,939	144,573
Cash on deposit and in hand	3,050	3,137	5,990	5,916
	<u>207,011</u>	<u>168,115</u>	188,929	150,489

	2015 £000	2014 £000
<i>Reconciliation of market value of investments</i>		
Market value at beginning of year	188,929	187,923
Investments purchased	231,987	56,562
Investments sold	(212,531)	(59,233)
Total realised gains on managed fund investments	458	3,959
Movement in investment managers' accrued income and expenses	(1,832)	(282)
	<u>207,011</u>	188,929

As at 31 March 2015, the Trust's funds other than programme-related investments are managed by Insight Investment Management, BlackRock Global Investors and Schroders Property Managers. The split of the portfolio between the investment managers is as follows:

	2015 Market value £000	2015 Cost £000	2014 Market value £000	2014 Cost £000
Insight Investment Management	60,072	53,150	52,627	48,786
BlackRock Global Investors	116,642	89,443	110,663	78,525
Schroders Property Managers	30,297	25,522	25,639	23,178
	<u>207,011</u>	<u>168,115</u>	188,929	150,489

Notes (continued)

6 Programme-related investments

	Group		Charity	
	2015	2014	2015	2014
	£000	£000	£000	£000
Equity (below)	4,467	4,489	22,480	22,449
Loans (note 7)	251	319	251	319
	<hr/> 4,718 <hr/>	<hr/> 4,808 <hr/>	<hr/> 22,731 <hr/>	<hr/> 22,768 <hr/>
Equity – Group		Shares in subsidiary undertakings	Unlisted investments	Total
		£000	£000	£000
<i>Cost</i>				
At beginning of year		4,932	626	5,558
Additions		225	-	225
		<hr/> 5,157 <hr/>	<hr/> 626 <hr/>	<hr/> 5,783 <hr/>
Cost at end of year				
<i>Provisions</i>				
At beginning of year		443	626	1,069
Provided in year		247	-	247
		<hr/> 690 <hr/>	<hr/> 626 <hr/>	<hr/> 1,316 <hr/>
Provisions at end of year				
<i>Net book value</i>				
At 31 March 2015		<hr/> 4,467 <hr/>	<hr/> - <hr/>	<hr/> 4,467 <hr/>
At 31 March 2014		<hr/> 4,489 <hr/>	<hr/> - <hr/>	<hr/> 4,489 <hr/>
Equity – Charity			Shares in subsidiary undertakings	
			£000	
<i>Cost</i>				
At beginning of year				24,412
Additions				225
Disposals				-
				<hr/> 24,637 <hr/>
Cost at end of year				
<i>Provisions</i>				
At beginning of year				1,964
Provided in year				193
				<hr/> 2,157 <hr/>
Provisions at end of year				
<i>Net book value</i>				
At 31 March 2015				<hr/> 22,480 <hr/>
At 31 March 2014				<hr/> 22,449 <hr/>

Notes (continued)

6 Programme-related investments (continued)

As stated in note 1, these consolidated financial statements include the results of the charity's wholly owned trading subsidiaries, Shetland Leasing and Property Developments Limited (SLAP), Shetland Heat Energy and Power Limited (SHEAP) and SCT Renewables Limited (SCT R). The trading results of these companies are summarised below:

	2015 SLAP £000	2015 SHEAP £000	2015 SCT R £000	2015 Total £000	2014 Total £000
Turnover	2,373	2,247	-	4,620	4,501
Cost of sales	(155)	(1,118)	-	(1,273)	(1,260)
Gross profit	2,218	1,129	-	3,347	3,241
Administration expenses	(130)	(743)	(4)	(877)	(863)
Gift aid payment to Shetland Charitable Trust *	(2,174)	(359)	-	(2,533)	(2,555)
Revaluation of investment properties	(663)	-	-	(663)	(629)
Provision made against equity investment	-	-	(247)	(247)	(87)
Operating (loss)/profit	(749)	27	(251)	(973)	(893)
Profit on disposal of investment properties	568	-	-	568	(4)
Interest receivable and similar income	24	3	-	27	23
(Loss)/profit on ordinary activities before taxation	(157)	30	(251)	(378)	(874)
Tax on profit on ordinary activities	-	(20)	-	(20)	21
(Loss)/profit on ordinary activities after taxation being (loss)/profit for the financial year	(157)	10	(251)	(398)	(853)

* The amount disclosed as gift aid receipts from subsidiary undertakings in the Trust's statement of financial activities is £2,482,000, which differs to the above, as this includes £53,000 in relation to SLAP gift aid which was over accrued in the prior year.

The expenditure of the companies, as recorded in the consolidated statement of financial activities, is analysed as follows:

	2015 Total £000	2014 Total £000
Cost of sales	1,272	1,264
Administration expenses	877	863
Investment property valuation deficit	663	629
Tax charge on profit on ordinary activities	20	-
Profit on disposal of investment properties	(568)	-
Interest receivable and similar income	(27)	-
	2,237	2,756

Notes *(continued)*

6 Programme-related investments *(continued)*

Included within the companies' profit (loss) for the year is a total of £2,533,436 (2014: £2,554,542) payable to the Trust by way of gift aid from SLAP and SHEAP which has been eliminated within the consolidated statement of financial activities.

The assets and liabilities of the subsidiaries were:

	2015	2015	2015	2015	2014
	SLAP	SHEAP	SCT R	Total	Total
	£000	£000	£000	£000	£000
Tangible fixed assets	19,052	438	-	19,490	21,251
Investments	-	-	4,467	4,467	4,489
Current assets	6,151	1,549	17	7,717	5,949
Current liabilities	(2,610)	(987)	(5)	(3,602)	(3,406)
Creditors: amounts due after one year	(255)	-	-	(255)	(296)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	22,338	1,000	4,479	27,817	27,987
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Called up share capital	17,000	1,000	6,637	24,637	24,412
Profit and loss account	5,208	-	(2,158)	3,050	(1,792)
Revaluation reserve	130	-	-	130	5,367
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total reserves	22,338	1,000	4,479	27,817	27,987
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Further details of the subsidiary companies and of their tax charge for the year are included in their financial statements, copies of which may be obtained from Companies House, 139 Fountainbridge, Edinburgh EH3 9FF.

7 Programme-related investments – Loans

	2015	2014
	£000	£000
Group and charity		
Agricultural Ten Year Loan Scheme	303	372
Provisions for doubtful debts	(52)	(53)
	<hr/>	<hr/>
	251	319
	<hr/>	<hr/>

Notes (continued)

8 Debtors

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	706	730	10	2
Amounts owing from subsidiary undertakings	-	-	2,168	2,027
Prepayments and accrued income	2,344	1,300	734	867
Other debtors:				
VAT recoverable	-	1	-	-
Programme-related loans	313	381	313	381
	<u>3,363</u>	<u>2,412</u>	<u>3,225</u>	<u>3,277</u>

9 Creditors: amounts falling due within one year

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade creditors	249	1,036	109	51
Rents in advance	78	80	-	-
Corporation tax	73	-	-	-
Other tax and social security	15	40	15	21
Other creditors and accruals	1,241	449	143	101
Amounts owing to subsidiary undertakings	-	-	191	-
	<u>1,656</u>	<u>1,605</u>	<u>458</u>	<u>173</u>

10 Provisions for liabilities and charges

Group	Deferred taxation £000
At beginning of year	275
Credit for the year	(52)
Effect of increased tax rates	-
At end of year	<u>223</u>

The deferred tax liability arising within the Trust's subsidiary companies at the year end of £223,000 (2014: £275,000) is analysed as follows:

	2015 £000	2014 £000
Accelerated capital allowances	223	149
Other timing differences: gift aid	-	126
	<u>223</u>	<u>275</u>

Notes *(continued)*

11 Expendable endowment

	Group Total £000	Charity Total £000
At beginning of year	231,588	231,588
Outgoing resources	(1,216)	(1,216)
Gains in the year	20,214	20,214
	250,586	250,586
	250,586	250,586

12 Unrestricted income funds

Group	General funds £000	Trading funds £000	Pension reserve £000	Revaluation reserve £000	Total unrestricted income funds £000
At beginning of year	(6,258)	5,361	(1,795)	146	(2,546)
Net movement in funds	(2,148)	(347)	(80)	(17)	(2,592)
Actuarial gains	-	-	250	-	250
	(8,406)	5,014	(1,625)	129	(4,888)
	(8,406)	5,014	(1,625)	129	(4,888)

Charity	General funds £000	Pension reserve £000	Total unrestricted income funds £000
At beginning of year	(6,257)	(1,795)	(8,052)
Net incoming resources before other recognised gains and losses	(2,342)	(80)	(2,422)
Actuarial gains	-	250	250
	(8,599)	(1,625)	(10,224)
	(8,599)	(1,625)	(10,224)

The group trading funds balance now represents the accumulated surplus on the Trust's subsidiary company undertakings, while the group and charity general fund balances have been brought into alignment.

Notes (continued)

13 Pension scheme

The Trust participates in the Shetland Islands Council Pension Fund which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Trust. The information disclosed below is in respect of the Trust's share of the assets and liabilities throughout the periods shown.

The latest full actuarial valuation was carried out at 31 March 2014 and was updated for FRS 17 purposes to 31 March 2015 by a qualified independent actuary.

	2015	2014
	£000	£000
Present value of funded defined benefit obligations	(4,350)	(3,534)
Fair value of plan assets	2,867	1,873
	<hr/>	<hr/>
	(1,483)	(1,661)
Present value of unfunded defined benefit obligations	(142)	(134)
	<hr/>	<hr/>
Net liability	(1,625)	(1,795)
	<hr/> <hr/>	<hr/> <hr/>

Movements in present value of defined benefit obligation:

	2015	2014
	£000	£000
At 1 April	3,668	3,294
Current service cost	104	102
Interest cost	156	150
Actuarial loss	729	144
Losses on curtailments	-	63
Contributions by members	25	28
Benefits paid	(190)	(113)
	<hr/>	<hr/>
At 31 March	4,492	3,668
	<hr/> <hr/>	<hr/> <hr/>

Movements in fair value of plan assets:

	2015	2014
	£000	£000
At 1 April	1,873	1,701
Expected return on plan assets	113	91
Actuarial gains	979	27
Contributions by employer	67	139
Contributions by members	25	28
Benefits paid	(190)	(113)
	<hr/>	<hr/>
At 31 March	2,867	1,873
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

13 Pension scheme (continued)

Expenditure recognised in the statement of financial activities:

	2015	2014
	£000	£000
Current service cost	(104)	(102)
Interest on defined benefit pension plan obligation	(156)	(150)
Expected return on defined benefit pension plan assets	113	91
Past service cost	-	(63)
	<hr/>	<hr/>
Total	(147)	(224)
	<hr/> <hr/>	<hr/> <hr/>

The expenditure is recognised in the following line items in the statement of financial activities:

	2015	2014
	£000	£000
Charitable activities – support costs	(147)	(224)
	<hr/> <hr/>	<hr/> <hr/>

The total amount recognised in the other recognised gains and losses section of the statement of financial activities is a gain of £250,000 (2014: loss £117,000).

The cumulative actuarial gains and losses are as follows:

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Actuarial gains/(losses)	250	(117)	(292)	(94)	260
Cumulative actuarial gains and losses	(1,227)	(1,477)	(1,360)	(1,068)	(974)

The fair value of the plan assets and the return on those assets were as follows:

	2015	2014
	Fair value	Fair value
	£000	£000
Equities	2,293	1,498
Corporate bonds	287	169
Property	287	131
Cash	-	75
	<hr/>	<hr/>
	2,867	1,873
	<hr/> <hr/>	<hr/> <hr/>
Actual return on plan assets	202	118
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

13 Pension scheme (continued)

The expected rates of return on plan assets are determined by reference to the historical actual returns on the Fund as provided by the administering authority and index returns where necessary.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2015 %	2014 %
Discount rate	3.2	4.3
Expected rate of return on plan assets	3.2	6.2
Future salary increases	4.3	5.1
Inflation / pension increase rate	2.4	2.8

In valuing the liabilities of the pension fund at 31 March 2015, mortality assumptions have been made as indicated below. The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

Current pensioner aged 65: 22.8 years (male), 23.8 years (female).

Future retiree upon reaching 65: 24.9 years (male), 26.7 years (female).

History of plans

The history of the plans for the current and prior periods is as follows:

Balance sheet

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of scheme liabilities	(4,492)	(3,668)	(3,294)	(2,670)	(2,556)
Fair value of scheme assets	2,867	1,873	1,701	1,427	1,443
Deficit	(1,625)	(1,795)	(1,593)	(1,243)	(1,113)

Experience adjustments

	2015 £000/%	2014 £000/%	2013 £000/%	2012 £000/%	2011 £000/%
Experience adjustments on scheme liabilities/as a percentage of scheme liabilities	(274)/(6.1)	-/-	(47)/(1.4)	165/6.2	(7)/(0.3)
Experience adjustments on scheme assets/as a percentage of scheme assets	979/34.1	27/1.4	134/7.9	(109)/(7.6)	(12)/(0.8)

The Trust expects to contribute approximately £69,000 to its defined benefit plans in the next financial year to 31 March 2016.

14 Related parties

In the year to 31 March 2015 the SCT Renewables Limited invested £225,000 (2014: £900,000.) in Viking Energy Shetland LLP in which SCT Renewables Limited is a 90% partner.

In the year to 31 March 2015 Shetland Leasing and Property Developments Limited charged Viking Energy Shetland LLP £10,320 in relation to office rental. The transactions were carried out at normal market rates. There was no balance due at 31 March 2015.

In the normal course of business, some of the Trustees are appointed as directors or as Trustees of other organisations and charitable bodies within the Shetland Islands, including those which the Trust may from time to time transact with, either through routine business or in the provision of charitable grants. These relationships are not considered to be related party transactions as in no instance is the level of mutual trustees such as to provide direct or indirect control, or to place the Trustees in a position where they are able to provide influence over the financial and operating policies of the other organisations.



cutting through complexity

CT1509042 - Appendix B

Shetland Charitable Trust

Audit highlights memorandum and management letter

Audit: year ended 31 March 2015

25 August 2015

This report is presented under the terms of our audit engagement letter.

- Circulation of this report is restricted.
- The content of this report is based solely on the procedures necessary for our audit.

Basis of preparation

We have prepared this Audit Committee Report (Report) in accordance with our audit engagement letter dated 23 March 2015.

Purpose of this report

This Report is made to the Trustees of Shetland Charitable Trust in order to communicate matters of interest as required by ISAs (UK and Ireland), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

Restrictions on distribution

This Report is subject to disclosure restrictions as set out in our Engagement Letter.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Trust's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors reporting to the Trust's members in accordance with the Charities and Trustees Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

Our responsibility for other information in the Trust's Annual Report and Financial Statements does not extend beyond the financial information identified in our auditor's report. We have no obligation to perform any procedures to corroborate other information contained in those documents. However, prior to approval and signing we will continue to read the other information included in the Trustees' Report, and confirm that the information given, and the manner of its presentation, is materially consistent with the information, and its manner of presentation, with the consolidated financial statements.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is substantially complete although matters communicated in this Report may change pending signature of our audit report.

Audit conclusions	<ul style="list-style-type: none"> We anticipate issuing an unqualified audit opinion on the 2014-15 financial statements, following their approval by the Trustees. 	Page 4
Accounting matters	<ul style="list-style-type: none"> No significant accounting issues arose during the course of our audit of the Trust or the subsidiary companies. Overall, we are satisfied with the key accounting judgments taken. The most significant areas of judgment relate to the valuation of programme-related investments, and the valuation of the net pension liability under FRS 17. 	Page 4
Auditing matters	<ul style="list-style-type: none"> No significant audit issues arose during the course of our audit of Shetland Charitable Trust (SCT) or its subsidiaries with the exception of a late adjustment that had to be made that impacted SCT and Shetland Heat Energy and Power Limited (SHEAP) in relation to gift aid paid during the year (explained in full on page 7). No significant regulatory or tax matters came to our attention during the course of our normal audit work. 	Page 4
Systems and controls	<ul style="list-style-type: none"> No control deficiencies were identified only minor improvement points were identified and communicated to management. No major weaknesses in the financial systems were identified as a result of our audit procedures, although additional discussions were held relating to the segregation of duties, especially within the subsidiaries. 	-
Financial position	<ul style="list-style-type: none"> The group recorded net outgoing resources of £3.8 million (2014: £4.1 million), but a net inflow of funds of £16.7 million (2014: net inflow of £3.1 million) after recognising gains on managed funds and actuarial losses on the pension scheme. The Trust recorded net outgoing resources of £3.6 million in the year, after charging £1.2 million depreciation in respect of its fixed assets. After accounting for other gains and losses in respect of managed fund investments and the pension scheme, the net inflow on funds was £16.8 million (2014: inflow of £4.0 million). The underlying financial position of the group remains strong, with net assets including the pension liability of £245.7 million (Trust: £240.3 million). 	Page 5
Mandatory communications	<ul style="list-style-type: none"> No significant matters to report in respect of (i) audit differences; (ii) auditor independence and non-audit fees; and (iii) management representation letter content. 	Appendix 1

Financial statements and accounting

Our perspective on the preparation of the
financial statements and key accounting
judgements made by management

The Trust has maintained appropriate arrangements over the preparation of its 2014-15 financial statements. We have satisfactorily concluded our audit work and expect to issue an unqualified audit opinion on the financial statements of the Trust.

Audit conclusions

Our audit work on the financial statements of the Trust is substantially complete, pending receipt of management representations and update of our subsequent events work to the date of signing of the financial statements. Following approval of the financial statements by the Trustees, we expect to be able to issue an unqualified audit opinion on the truth and fairness of the state of the group's and the Trust's affairs as at 31 March 2015, and of the group's and the Trust's incoming resources for the year then ended. There are no matters identified on which we are required to report by exception.

In gathering the evidence for our opinion we have:

- held initial planning meetings in March 2015 with the Trustees, as well as management responsible for the processing of financial transactions;
- identified materiality for planning purposes at £200,000, and designed appropriate audit procedures according to our materiality assessment;
- during our onsite audit fieldwork in June and July 2015, performed a mixture of substantive and controls testing to ensure an efficient approach that covers the identified risks;
- reviewed assumptions and judgements made by management and considered these for appropriateness; and
- considered if the financial statements may be affected by fraud through discussions with senior management to gain a better understanding of their work in relation to prevention and detection of fraud with the potential to impact on the financial statements.

Financial statements preparation

- Draft financial statements and supporting documentation for subsidiary companies was provided at the agreed start of the audit.
- The standard of documentation and analysis to support the draft financial statements of the Trust and subsidiary companies was satisfactory and there was evidence of accountability and ownership of working papers across the finance teams.
- There was only one significant late adjustment made in relation to gift aid as explained on page 7. There were no unadjusted audit differences other than those in relation to SLAPD which were included in the management representation letter and are explained further on page 7.
- Consolidation balances for the group financial statements were completed after our initial period on site.
- Some presentational and textual changes were made to improve the overall disclosures within the financial statements.

The Trust generated a net inflow in funds for the year of £16.8 million (2014: inflow of £4.0 million).

The increase in funds ahead of the prior year is primarily due to the strong financial performance of funds in global markets.

The figures shown relate solely to the Trust's financial position and are not consolidated.

Investment income and expenditure

Investment income has decreased by £62,000 in the year, however realised and unrealised gains on investments from the Trust's managed funds increased significantly in the year by £12.8 million. This is due to the strong financial performance of funds in global markets during the year.

Investment management costs have increased in the year by £224,000. The Trust now pays most of its investment management costs directly through its fund transactions rather than by invoices as in previous years.

Gift aid from subsidiaries

Gift aid in the year has decreased by £73,000. This is a result of an increase in the amount receivable from SLAPD as a result of improved financial performance in the period offset by a reduction in the amount received from SHEAP due to a lack of distributable reserves. In the current period gift aid of £2.2 million is receivable from SLAPD and £359,000 was received from SHEAP.

Expenditure on charitable activities

Charitable activities expenditure declined by £261,000 compared to prior year, reflecting a reduction in administration and support costs, £208,000 of which is due to a decrease in staff costs as a result of the reorganisation and redundancy costs incurred in the prior year. Overall, there was a £237,000 under spend against budget due to a number of relatively minor under spends, of which a £56,000 under spend in the planned maintenance was the most notable.

Financial position

The Trust's net movement in funds for the year was a £16.8 million inflow. This headline figure is significantly greater than the £4.0 million surplus in the prior year resulting from a larger gain on managed fund investments compared to the prior period.

	2014-15	2013-14
	£000	£000
Investment income	4,675	4,737
Gift aid from subsidiary companies	2,482	2,555
Rental and other income	1,053	1,242
Total incoming resources	8,210	8,534
Investment management costs	(497)	(273)
Provision made against equity investment	(193)	(150)
Charitable activities	(11,057)	(11,318)
Governance costs	(101)	(103)
Total resources expended	11,848	11,844
	(3,638)	(3,310)
Actuarial gain/(loss) in defined benefit pension scheme	250	(117)
Gains on investments	20,214	7,377
Net movement in funds	16,826	3,950

Source: Draft financial statements

The net movement in funds for the year of £16.8 million (2014: surplus of £4.0 million) has resulted in a strengthening of the Trust's net asset position.

The figures shown relate solely to the Trust's financial position and are not consolidated.

Financial position

Fixed assets

Tangible fixed assets have reduced in the year by £1.2 million, as the annual depreciation charge reduces their net book value. There have been no additions in the year. The Trust's managed funds have increased by £18.0 million as a result of stock market gains in the year. Programme related investments have decreased due to a repayment of agricultural loans of £69,000, offset by an additional £225,000 investment in SCT Renewables Limited less a £193,000 increase in the provision against this investment.

Current assets and liabilities

Debtors are in line with the prior year although there has been increase in amounts owed from subsidiary undertakings of £186,000 primarily due to an increase in SLAPD gift aid as well as an increase in trade debtors of £8,000. Such increases are offset by a reduction in prepayments and accrued income of £133,000 and a reduction in programme related loans of £68,000. Creditors due within one year have increased by £330,000 from the previous year primarily due to the amount owed to subsidiary company SHEAP of £236,000 in respect of gift aid paid in excess of distributable reserves. There have also been increases in trade aid other creditors of £100k partially offset by a reduction in other taxes and social security.

Going concern

The Trust has net assets at the balance sheet date of £240.3 million, an increase of £16.8 million from 2014. The Trust continues to maintain a strong cash balance and its subsidiary companies SLAPD and SHEAP remain profitable and SLAPD and SHEAP forecast further gift aid payments in the coming financial periods. However, gift aid payments cannot be made from SHEAP until the company has sufficient distributable reserves. SCT Renewables Limited made a loss of £241,000 in the year. The Trust has net current assets at the year end of £6.3 million. This is due to an increase in cash of £164,000 offset by a reduction in debtors of £7,000 and an increase in creditors of £330,000.

	2014-15 £000	2013-14 £000
Tangible fixed assets	5,983	7,199
Investments	207,011	188,929
Programme related investments	22,731	22,768
Debtors	3,270	3,277
Cash	3,495	3,331
Creditors	(503)	(173)
Pension liability	(1,625)	(1,795)
Net assets	240,362	223,536

Source: Draft financial statements

Pension liability

The net pension liability has decreased by £170,000 in the year, resulting from the updated actuarial valuation of the Trust's share of the Shetland Island Council defined benefit pension scheme. This comprises £250,000 included in actuarial gains partially offset by an £80,000 FRS17 adjustment included within charitable activities.

Our audit work over SLAPD and SHEAP is now complete and an unqualified audit opinion has been issued.

Area	Audit of subsidiary companies
<p>Subsidiary companies' structure and operations – SLAPD and SHEAP</p>	<p>KPMG comment</p> <p>Shetland Leasing and Property Development Limited ("SLAPD")</p> <p>SLAPD made an overall loss after tax of £158,000 in the year, but included in this figure is gift aid payments in the year to the Trust totalling £2.2 million in relation to the financial year 2014-15. Profit before gift aid has increased from £1.3 million in 2013-14 to £2.0 million in 2014-15 and this is mainly due to a gain on disposal of investment properties of £568,000.</p> <p>There were no significant accounting judgements made by the directors in the financial statements. We identified five audit misstatements in the course of our audit work. One adjustment related to the disclosure of fixed assets and was subsequently corrected in the financial statements. The other adjustments were not corrected and are considered to be immaterial, therefore they have been included in the management representation letter.</p> <p>Internal controls tested for the purposes of our financial statements audit appeared to be designed, implemented and operating effectively, although one improvement point was identified as key reconciliations and journal entries are not reviewed due to the lack of segregation of duties within the finance team.</p> <p>Shetland Heat Energy and Power Limited ("SHEAP")</p> <p>SHEAP made a profit before gift aid and tax of £390,000. A gift aid payment of £595,000 was made in respect of profits generated in the prior year, however due to the requirement for gift aid to be paid out of distributable reserves following a technical release by ICAEW, £236,000 of this payment required to be reversed and treated as an intercompany receivable. The company continues to operate at capacity numbers for customers and therefore revenue has remained relatively consistent with the prior period.</p> <p>There were no significant accounting judgements made by the directors in the preparation of the financial statements. We identified 3 audit misstatements during the course of our audit work, in addition to the final tax note adjustments made on completion of the draft tax computations for the year.</p> <p>All misstatements were appropriately corrected for inclusion within the financial statements. Internal controls tested for the purposes of our financial statements audit appear to be designed, implemented and operating effectively.</p>

Our audit work over SCTR and VES LLP is substantially complete pending completion of our finalisation procedures and receipt of appropriate representation letters.

We identified no audit misstatements, control weaknesses or other matters to report in our audit of SCT Renewables Limited or Viking Energy Shetland LLP.

Audit of subsidiary companies	
Area	KPMG comment
Subsidiary companies' structure and operations – Viking	<p>SCT Renewables Limited ("SCTR")</p> <p>SCTR represents the Trust's interests in Viking Energy Shetland LLP ("VES LLP"), which itself is the partner along with SSE Viking Limited in the Viking Energy project. During 2013-14, the third party appeal against planning consent from the Scottish Ministers, was unsuccessful and the Judicial Review found in favour of the Viking Energy project.</p> <p>SCTR made a loss of £250,967 in 2014-15, resulting from a provision in the company's investment in VES LLP of £247,102, administration expenses of £3,975 and interest receivable of £110. No gift aid payment is expected to the Trust while the Viking project remains in its developmental stage. The company invested a further £225,000 in VES LLP in the year.</p> <p>Viking Energy Shetland LLP ("VES LLP")</p> <p>VES LLP made a loss of £274,558 in the year, resulting from expenditure incurred in the year. The partnership invested a further £0.3 million in Viking Energy Partnership ("VEP") in the year through cash calls paid on behalf of VES LLP by SCTR. VES LLP has the accounting functionality to process its own financial transactions and now relies significantly less on its parent companies.</p>

Appendices

1. Mandatory communications
2. Adjusted audit differences
3. Auditor independence
4. Management representation letter
5. Accounting developments
6. Tax legislation update

Appendix one Mandatory communications

Area	Key content	Reference
<p>Adjusted audit differences Adjustments made as a result of our audit</p>	<p>There were three adjusted audit differences in the financial statements of the Trust with a negative impact on funds of £256,935 as a result of a reversal of SHEAP gift aid paid due to lack of distributable reserves, a correction to depreciation charged and a reclassification of intercompany balances.</p> <p>No other adjustments were identified during the course of our audit work relating to the Trust.</p>	<p>Appendix 2</p>
<p>Unadjusted audit differences Audit differences identified that we do not consider material to our audit opinion</p>	<p>There were four unadjusted difference within Shetland Leasing and Property Developments Limited. These differences relate to deferred tax, the gain on disposal of an investment property, the accrual of a capital expenditure invoice and the recognition of a claim which is fully recoverable from a customer. They are considered to be immaterial and have been included within the SLAPD management representation letter.</p>	<p>-</p>
<p>Draft management representation letter Proposed draft of letter to be issued by the Trust to KPMG prior to audit sign-off</p>	<p>We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2015.</p>	<p>Appendix 4</p>
<p>Related parties</p>	<p>There were no significant matters that arose during the audit in connection with the entity's related parties.</p>	<p>-</p>
<p>Other matters warranting attention by those charged with governance</p>	<p>There were no matters to report in respect of material weaknesses or questions of management integrity or fraud involving management.</p>	<p>-</p>
<p>Disagreement with management</p>	<p>There have been no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our auditors' report on the Group's consolidated financial statements. We encountered no fundamental difficulties in dealing with management in performing the audit.</p>	<p>-</p>
<p>Consultation with other accountants</p>	<p>To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that were subject to the requirements of applicable regulatory guidance.</p>	<p>-</p>

Under UK auditing standards (ISA UK&I 260) we are required to provide those charged with governance with a summary of adjusted audit differences identified during the course of our audit. The adjustment below has been included in both the consolidated and individual financial statements for Shetland Charitable Trust for the year ended 31 March 2015.

Adjusted audit differences (£)				
No.	Detail	Statement of financial activities Dr/(Cr)	Balance sheet Dr/(Cr)	Comments
1	Dr Depreciation charge Cr Tangible fixed assets	20,723	(20,723)	Being an adjustment to correct the depreciation charge for the district heating scheme to bring this in to line with the policy disclosed in the financial statements.
2	Dr Gift aid receipts from subsidiary undertakings Cr Amounts owed to group undertakings	236,212	(236,212)	Being an adjustment to reverse gift aid paid to SCT by SHEAP in the current year in order to ensure reserves of SHEAP were positive following a change in account treatment which requires that the gift aid is paid out of distributable funds.
3	Dr Intercompany creditors Cr Intercompany debtors		45,114 (45,114)	Being an adjustment to net off intercompany balances with SHEAP.

Auditing Standards require us to consider and confirm formally our independence and related matters in our dealings with the Trust.

We have appropriate procedures and safeguards in place to enable us to make the formal confirmation in our letter included opposite.

Auditor independence

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed. This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence.

We have considered the fees paid to us by the Trust for professional services provided by us during the reporting period.

We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP audit Trustees and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values;
- Communications;
- Internal accountability;
- Risk management; and
- Independent reviews.

Please inform us if you would like to discuss any of these aspects of our procedures in more detail. There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to Trustees of the Trust.

Confirmation of audit independence

We confirm that as of 25 August 2015, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This report is intended solely for the information of the Trust and should not be used for any other purposes.

Yours faithfully

KPMG LLP

Dear Sirs

This representation letter is provided in connection with your audit of the Group and Trust financial statements of Shetland Charitable Trust ("the Trust"), for the year ended 31 March 2015, for the purpose of expressing an opinion:

- as to whether these financial statements give a true and fair view of the state of the Group's and the Trust's affairs as at 31 March 2014 and of the Group's and the Trust's incoming resources and application of resources for the financial year then ended;
- whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Trust deed.

These financial statements comprise the Group and Parent Charity Balance Sheet, the Group Statement of Financial Activities, the Group Cash Flow Statement, and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Trustees confirm that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Trustees confirm that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing themselves:

Financial statements

1. The Trustees have fulfilled their responsibilities, as set out in the terms of the audit engagement dated 23 March 2015 for the preparation of financial statements that:
 - I. give a true and fair view of the state of the Group's and Parent Charity's affairs as at the end of its financial year and of the Group's surplus or deficit for that financial year;
 - II. have been properly prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"); and
 - III. have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Trust deed.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Trustees in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which FRS 21 *Events after the balance sheet date* requires adjustment or disclosure, have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

Information provided

5. The Trustees have provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Trustees for the purpose of the audit; and
 - unrestricted access to persons within the Group and the Charity from whom you determined it necessary to obtain audit evidence.
 6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
 7. The Trustees acknowledge its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Trustees acknowledge its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
- The Trustees have disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Management representation letter (continued)

8. The Trustees have disclosed to you all information in relation to:
- a) fraud or suspected fraud that it is aware of and that affects the Group and the Charity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the Group and the Charity's financial statements communicated by employees, former employees, analysts, regulators or others.
9. The Trustees have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
10. The Trustees have disclosed to you and have appropriately accounted for and/or disclosed in the financial statements, in accordance with FRS 12 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
11. The Trustees have disclosed to you the identity of the Group and the Charity's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with FRS 8 *Related Party Disclosures*.
12. The Trustees confirms that:
- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Trust's ability to continue as a going concern as required to provide a true and fair view.
 - b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Group and the Charity to continue as a going concern.
13. On the basis of the process established by the Trustees and having made appropriate enquiries, the Trustees are satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business.
- The Trustees further confirm that:
- a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,
 have been identified and properly accounted for; and
 - b) all settlements and curtailments have been identified and properly accounted for.
- This letter was tabled and agreed at the meeting of the Trustees on [date].
- Chair of Trustees, on behalf of the Board.
- Appendix to the Trustees' Representation Letter of Sheffland Charitable Trust: Definitions**
- Financial Statements**
- A complete set of financial statements comprises:
- Group and Parent Charity balance sheet as at the end of the period;
 - Group statement of financial activities for the period;
 - Group cash flow statement for the period;
 - notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Certain representations in this letter are described as being limited to matters that are material. The ASB's *Statement of Principles for Financial Reporting* states that:

"An item of information is material to the financial statements if its misstatement or omission might reasonably be expected to influence the economic decisions of users of those financial statements, including their assessments of management's stewardship."

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements, in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 8 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a retirement benefit scheme for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a scheme, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transaction

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.

In March 2013, the Financial Report Council (FRC) issued FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. This is the main part of the new UK GAAP regime and follows the issue in November 2012 of FRS 100 (overview of the framework) and FRS 101 (reduced disclosure framework that is not applicable to charities).

Charities will apply FRS 102, or, if eligible the FRSSSE. They are not allowed to apply EU-IFRS or FRS 101. FRS 102 is based on the IFRS for Small and Medium Sized Enterprises (IFRS for SMEs) although amendments were made specifically for the UK market. There is a reduced disclosure framework under FRS 102 which, if certain criteria are met, exempts a charity's subsidiaries (both charities and companies), and the parent charity itself, from preparing a cash flow statement, and certain other disclosures.

New UK GAAP

New UK GAAP is applicable for accounting periods beginning on or after 1 January 2015.

New UK GAAP is applicable for accounting periods beginning on or after 1 January 2015.

New UK GAAP is applicable for accounting periods beginning on or after 1 January 2015.

Accounting regime	Applicable Charities SORP	Example:
FRS 102	<ul style="list-style-type: none"> Charities SORP (FRS 102) 	<ul style="list-style-type: none"> Larger charities
FRS 102 with reduced disclosures,	<ul style="list-style-type: none"> Charities SORP (FRS 102) 	<ul style="list-style-type: none"> Qualifying* parent charity and subsidiaries (both charities and companies) in a charitable group
FRSSE	<ul style="list-style-type: none"> Charities SORP (FRSSE) 	<ul style="list-style-type: none"> Small** charities

* A qualifying parent or subsidiary is a member of a group that prepares publicly available financial statements intended to give a true and fair view, in which it is consolidated. Fewer exemptions are available for financial institutions.

** As defined by company law

Key changes from the current SORP (2005) are summarised in the table on the right.

Charities SORP (FRS 102) – summary of key changes from current SORP (2005)

Summary of key differences	
Trustees' Report	FRS 102 SORP
	<ul style="list-style-type: none"> ■ Risk management – expanded for larger charities who must include a description of the principal risks and uncertainties faced by the charity and plans and strategies to manage these risks. ■ Achievements and performance – the trustees should provide a balanced picture of progress against objectives and may include the effect or impact of results on beneficiaries and wider society. ■ Remuneration – larger charities must disclose the pay arrangements of key management personnel including any benchmarks or criteria used to set their pay. ■ Going concern – nature of any uncertainties should be explained (required by Auditing Standards). ■ Reserves policy – the trustees must disclose the reserves policy; a policy to hold nil reserves must be explained. ■ Pension liability – disclose the impact of any material pension liability. ■ Trustee names – the concession allowing only 50 trustee names to be given has been removed so that now all trustee names must be reported. ■ Social investment policy – larger charities must explain how programme related investments contribute to charitable aims and objectives.
SoFA	<ul style="list-style-type: none"> ■ The number of headings within the SoFA has been reduced and a "plain English" style adopted to describe the nature of the income or expenditure included within each heading of the SoFA. ■ Governance costs is no longer a separate heading but are included in support costs. ■ The treatment of investment gains and losses has changed to reflect FRS 102 requirements. These will be recognised within the "Income and Expenditure" part of the SoFA instead of the "STRGL" part where they currently sit, i.e. will now be "above the line". ■ Comparatives are required for all SOFA columns, either on the face of the SOFA or in a note.
Cash flow statement	<ul style="list-style-type: none"> ■ The statement of cash flows required by FRS 102 is different to the current format but still allows either the direct or indirect method to be used. ■ The new SORP gives more guidance than the current SORP with examples of cash flows that fall within the three mandatory headings – operating, investing and financing activities.

Appendix five Accounting developments (continued)

Charities SORP (FRS 102) – summary of key changes from current SORP (2005) (continued)

Summary of key differences	
	FRS 102 SORP
Income	<ul style="list-style-type: none"> ■ Income is recognised when it is probable (previously virtually certain). The FRS 102 SORP includes guidance as to when legacies are recognised, using a three-point test, and a portfolio approach. ■ Income from donated goods for sale or distribution is recognised at time of receipt at fair value unless impractical or too costly. Otherwise it is recognised as income when the goods are sold or distributed. ■ Possible that in certain circumstances income from contracts could be classified as restricted income.
Expenditure	<ul style="list-style-type: none"> ■ Liabilities and provisions should be discounted where settlement is delayed for more than 12 months and the effect is material. ■ A liability for paid annual leave and sick leave is recognised if material. ■ FRS 102 SORP does not permit details of institutional grants to be made in a separate publication but these may be detailed on the charity website or in the trustees' annual report rather than a note to the accounts.
Trustee and management remuneration	<ul style="list-style-type: none"> ■ The total remuneration paid to key management personnel must be disclosed. The charity may disclose the employee benefits received by its CEO or highest paid staff member, or all key management personnel on an individual basis. ■ Any benefits or expenses paid to trustees are disclosed on an individual basis, including expenses waived by trustees. ■ Donations made by trustees to the charity must be disclosed in total where no conditions apply to those donations. ■ Details of redundancy and termination payments for staff must be disclosed.
Balance sheet	<ul style="list-style-type: none"> ■ Social investments include programme related investments and the new "mixed motive investments", which is an investment made both to generate an investment return and to further the investing charity's purposes. Social investments are recognised at fair value, if this can be measured reliably, or else at cost less impairment. ■ Transition opportunity to revalue tangible fixed assets and treat this as deemed cost going forwards.
Accounting for groups	<ul style="list-style-type: none"> ■ FRS 102 SORP provides guidance clarifying the treatment for charity combinations, e.g. mergers and acquisitions of interests in charities and non-charitable entities. ■ Incorporated charities are excluded from the definition of branches and are accounted for as subsidiaries.

Corporation tax rates

The main rate of corporation tax will be reduced to:

- a) 19% for financial years 2017, 2018 and 2019 and;
- b) 18% for financial year 2020.

The rate of corporation tax is of increased relevance to SCT given the change to accounting practice with regard to the payment of "Gift Aid" from subsidiary companies.

Donations by a company to its parent charity

In October 2014, the Institute of Chartered Accountants England and Wales (ICAEW) published a technical release titled 'Guidance on donations by a company to its parent charity'. In summary the release highlights the following:

- It has been common practice for companies that are wholly-owned trading subsidiaries of charities to donate all taxable profits to the parent charity and claim charitable donations relief against the otherwise resulting corporation tax liability.
- The ICAEW has obtained Counsels' opinion that such payments are distributions (akin to dividends) and therefore, to the extent that any payment exceeds profits available for distribution, payments are unlawful.
- A company's donation can exceed profits available for distribution owing to differences in arriving at taxable profits from account profits.
- Where unlawful distributions have been made, confirms parent is liable to repay the excess arising over previous six years.
- HMRC are considering impact and are due to publish their view in due course.

Capital allowances

The Annual Investment Allowance for capital allowances will be set at a new permanent level of £200,000 for investments in plant and machinery made on or after 1 January 2016.

This relief will reduce taxable profits and therefore potential Gift Aid payments.

Employment Allowance & National Living Wage

From April 2014 all UK employers (businesses and charities) have been eligible for a £2,000 Employment Allowance. From April 2016 the allowance will be increased to £3,000. The effect of this allowance is that it will reduce the overall amount of Employer's NIC payable to HMRC each year.

Each business or charity will be able to employ four staff on the newly proposed National Living Wage without having to pay any Employer's NIC at all. From April 2016, a new National Living Wage of £7.20 an hour for those aged 25 and over will be introduced. This will rise to over £9 an hour by 2020.



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REPORT**To:** Shetland Charitable Trust

10 September 2015

From: Chief Executive**Report:** CT1509043**Risk Management – Annual Review****1 Introduction**

- 1.1 This report requests Trustees to approve the recommendation by the Audit & Governance Advisory Committee to adopt the revised Strategic Risk Management Assessment.

2 Background

- 2.1 The Audit & Governance Advisory Committee have met various times since the last Risk Management Assessment was reported to Trustees in September 2014 (CT1409032). The Committee have reviewed the risks to the Trust and updated the Strategic Risk Management Assessment.
- 2.2 Since the new Strategic Risk Management Assessment was agreed by Trustees in September 2014, each Advisory Committee has taken responsibility for the risks assigned to them. They have adopted this as a standing item at their meetings and have updated the risks as they see necessary.
- 2.3 The most recent Statement of Recommended Practice (SORP) for the preparation of the Trust's Annual Report and Accounts requires the Trust to make a statement confirming that:
- "...the major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks."
- 2.4 Although many aspects of Risk Management are already imbedded in the management of the Trust's business, it is considered good practice to adopt a formal, systematic evaluation of risk on a regular basis.

3 Risk Management Framework

- 3.1 The Strategic Risk Management Assessment for the Trust, prepared by the Audit & Governance Advisory Committee, is included at Appendix 1.



- 3.2 Appendix 1 also explains the potential impact of each of the risks identified, should that event occur.
- 3.3 The next step is to consider the likelihood of that potential risk occurring. The definitions used are explained in Appendix 1 and are adopted from a formally recognised risk matrix.
- 3.4 It is then necessary to think about how severe the impact will be on the business of the Trust, should the event occur. The severity of impact has been categorised from “insignificant” to “catastrophic” using the following classifications:
- Insignificant
 - Minor
 - Significant
 - Major
 - Catastrophic
- 3.5 The Risks are then plotted on a Residual Risk Rating Matrix and, for simplicity, the matrix classifies risks as either red, amber or green. The degree of urgency and importance increases as you move along the matrix from a “rare and insignificant” risk to an “almost certain catastrophic” risk. This is the scoring system that was used.

Residual Risk Rating Matrix: Framework

		F R E Q U E N C Y				
		Rare	Unlikely	Possible	Likely	Almost Certain
S E V E R E I T Y	Insignificant				4	
	Minor			6	8	
	Significant		6	9		
	Major	4	8			
	Catastrophic					

4. Present Position

- 4.1 Currently, the Trust’s Strategic Risk Management Assessment is reviewed at each Advisory Committee meeting, and annually at Trustee level. The risks identified are categorised below. Each risk is numbered, and can be identified and cross referenced to the grid below.

Residual Risk Rating Matrix: Shetland Charitable Trust

S E V E R E I T Y	FREQUENCY				
	Rare	Unlikely	Possible	Likely	Almost Certain
Insignificant				0	
Minor			0	0	
Significant		Risk 3	Risks 2,4,5		
Major	0	Risk 1			
Catastrophic					

4.2 The Trust has identified 5 potential risks, which may impact on the business of the Trust. In this review, all risks have been classed as Amber.

4.3 Priority will be given to tackling any issue which has a high likelihood of occurring and a significant impact on service delivery should it occur.

4.4 The Advisory Committees have already put a number of measures in place to minimise risk since the last review and as these develop they will be reflected accordingly.

5. Future Reviews

5.1 The Audit and Governance Committee have overall responsibility for reviewing the Trust's Strategic Risk Management Assessment.

5.2 Each risk identifies the Lead Committee for that particular risk and each of these Committees take responsibility for ensuring the risk is reviewed regularly.

6 Financial Implications

6.1 There are no financial implications associated with this report.

7. Recommendations

7.1 Trustees are asked to accept the recommendations of the Audit & Governance Advisory Committee and approve the Strategic Risk Management Assessment set out in Appendix 1.

Charitable Trust Assurance Framework – Risk 1

CT1509043 – Appendix 1

<p>Objective(s): To ensure that the Charitable Trust operates with good Governance</p> <p><i>"To appoint the CE and auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities include setting the Trust's strategic aims, providing the leadership to put them into effect, ensuring that there is appropriate management of the Trust"</i></p>	<p>Risk Owner: Trustees Lead Committee: Audit and Governance</p> <p>Date last reviewed: September 2015 Date review due: September 2016</p>
<p>Risk: Poor Governance - the current processes in place don't ensure consistent decision making by Trustees</p> <p>Risk Rating: (Likelihood x consequence): Unlikely x Major= Score of 8</p> <p>Initial: AMBER Current: AMBER Target: GREEN</p>	<p>Rationale for current score: Failure in this area would have an impact on public perception of the trustees ability to do their role as Trustees</p> <p>Rationale for target score: While the impact of failures could have a major impact on public perception the aim is to reduce the likelihood of this occurring.</p>
<p>Controls (what are we currently doing about mitigating the risk?) Trust Deed and Administrative Regulations New structure in place Appointment process for Trustees (Induction) Trustees being Accountable (owning decisions) Checks and Balances in place (see assurance section below) Code of Practice (Conduct) Training and Education delivered and available for Trustees</p>	<p>Weaknesses or gaps in controls (where are we failing to put controls/systems in place or failing to make them effective?) Need to formalise the recruitment procedure for Trustees Recruitment process completed and new Trustees recruited during 2015 Annual Report to full Trust (assurance/exception reporting)</p>
<p>Actions required to improve control (what more have we identified we should do?) See above weaknesses/gaps – procedure to be finalised</p>	<p>Timescale complete</p> <p>Lead CE</p>
<p>Internal Assurances (How do we know controls are in place and functioning as expected/are of sufficient quality?) Performance Appraisals Audits</p> <p>What previous risks does this address:</p> <p>Risk ID2: The Charity lacks direction, strategic and forward planning – drifts with no objectives, priorities and plans</p> <p>Risk ID6: Risks of Conflicts of interest where own agendas used</p> <p>Risk ID12: Activities potentially outside objects, powers or terms of gift (restricted fund)</p>	<p>External Assurances (Are we receiving independent assurances?) OSCR Turcan Connell – scrutinise audit papers/minutes and actions to ensure decisions being made are followed through Clean bill of Health from Auditors Companies House – Annual Accounts</p>
<p>Current performance (with these actions taken, how serious is the problem?) Assessment of performance GOOD</p>	<p>Weaknesses or gaps in assurance (where are we failing to gain evidence that the controls we place reliance on are effective/where do we have gaps?) How do Trustees understand complaints and issues inc appeals and litigation</p> <p>Next steps (- is there more we can do to focus efforts on this issue)</p> <ul style="list-style-type: none"> To look at what could go into an annual assurance/exception report – CE To annually report on performance to Audit & Governance Committee inc complaints/sickness absence – CE

Charitable Trust Assurance Framework – Risk 2

<p>Objective(s): To ensure that the Trust makes good Investment Decisions Takes into account— ensure that we live within means and spend income wisely, make the right investment decisions, and deal with disbursements</p>		<p>Risk Owner: Trustees Lead Committee: Investment</p>	
<p>Risk: Poor Investment Decisions</p>		<p>Date last reviewed: September 2015 Date review due: September 2016</p>	
<p>Risk Rating: (Likelihood x consequence): Possible x Significant = 9</p> <p>Initial: RED Current: AMBER Target: GREEN</p>		<p>Rationale for current score: Failure in this area would have an impact on public perception of the Trustees ability to do their role as Trustees</p> <p>Rationale for target score: While the impact of failures could have a major impact on public perception the aim is to reduce the likelihood of this occurring.</p> <p>Weaknesses or gaps in controls (where are we failing to put controls/systems in place or failing to make them effective?)</p> <ul style="list-style-type: none"> Trustees need to understand the work of the Investment Committee – perhaps helpful for each sub Committee to share Terms of Reference etc Update Investment Strategy Look at work programmes for each committee and how to cascade information 	
<p>Controls (what are we currently doing about mitigating the risk?)</p> <p>Fund managers appointed through appropriate tender routes Investment committee in place Market forces have a play in risk decisions Trust Investment Strategy defines what should be the split in Equity/Bonds Trustees receive regular update reports Budget Strategy – don't spend more than earn in place</p>		<p>Timescale Lead</p> <p>Dec 14 CE</p> <p>Dec 14 CE</p>	
<p>Actions required to improve control (what more have we identified we should do?) Review Disbursement Policy Update Investment Strategy</p>			
<p>Internal Assurances (How do we know controls are in place and functioning as expected/are of sufficient quality?)</p> <p>Investment committee Terms of Reference Objectives/workplans of each Committee</p>		<p>External Assurances (Are we receiving independent assurances?) Fund Managers and Process of Appointment Independent Financial Advisor appointment for internal investment advice (updated February 2015 by committee)</p>	
<p>What previous risks does this address: Risk ID17: New project or service delivery and development – ensuring assessment of needed and performance monitoring Risk ID26: Budgetary control and financial reporting – ensuring the spending programme is affordable and sustainable, that the budget matches key objectives and priorities and decisions are made on reliable data Risk ID27: Protection of Reserves/Endowment and Dependency on income sources Risk ID32: Failure to plan for demographic changes which could lead to increasing beneficiary class eg older people etc Risk ID33: Failure to secure value for money from current arrangements</p>		<p>Weaknesses or gaps in assurance (where are we failing to gain evidence that the controls we place reliance on are effective/where do we have gaps?)</p> <ul style="list-style-type: none"> Requires Investment and Disbursement Strategy The Investment and Disbursement review are now underway Investment Strategy – exists but is historical External Consultant has been appointed to support process. Look at how decisions are made (ethical/legal) 	
<p>Current performance (with these actions taken, how serious is the problem?)</p>		<p>Next steps (- is there more we can do to focus efforts on this issue) Review Investment Strategy Review Disbursement Strategy</p>	

Charitable Trust Assurance Framework - Risk 3

Objective(s): To ensure that the Trust maintains Charitable Status and complies with relevant legislation		Risk Owner: Trustees
Risk: Loss of Charitable Status -		Lead Committee: Audit & Governance
Risk Rating:		Date last reviewed: September 2016
(Likelihood x consequence): Unlikely x significant = 6		Date review due: September 2016
<p>Initial: RED Current: AMBER Target: GREEN</p>	<p>Rationale for current score: Failure in this area would have an impact on the functioning and reputation of the Trust and is therefore extremely serious.</p> <p>Rationale for target score: While the impact of failures could have a major impact on the Trust, the aim is to reduce the likelihood of this occurring.</p> <p>Weaknesses or gaps in controls (where are we failing to put controls/systems in place or failing to make them effective?)</p> <ul style="list-style-type: none"> • Risk at not complying with legislation unintentionally • Legislation may change and inability to respond within appropriate timescales 	
<p>Controls (what are we currently doing about mitigating the risk?)</p> <ul style="list-style-type: none"> • OSCR • Trust Deed • Admin Regs • Finance Regs 	<p>Actions required to improve control (what more have we identified we should do?)</p> <p>Continue professional relationship with OSCR</p> <p>Continue professional relationship with Turcan Connell</p> <p>Continue to timeously respond to changes in legislation</p>	
<p>Internal Assurances (How do we know controls are in place and functioning as expected/are of sufficient quality?)</p> <ul style="list-style-type: none"> • Good communication links with OSCR • Good communication links with Turcan Connell • Good communication links with KPMG • Good Communication links with Scottish Government • Good Communication links with Trustees <p>What previous risks does this address:</p> <p>Risk ID1: Charitable Status removed Risk ID8: Failure to comply with Charity Law</p>	<p>External Assurances (Are we receiving independent assurances?)</p> <ul style="list-style-type: none"> • Turcan Connell updates • OSCR updates • Annual Report • Newsletters • Email updates <p>Weaknesses or gaps in assurance (where are we failing to gain evidence that the controls we place reliance on are effective/where do we have gaps?)</p> <ul style="list-style-type: none"> • Staff training and awareness • Knowledge and awareness of Trustees • Knowledge and awareness of Audit & Governance Committee <p>Next steps (- is there more we can do to focus efforts on this issue) Continue to ensure these risks remain priority in all Trust discussions and decisions.</p>	
<p>Current performance (with these actions taken, how serious is the problem?) Assessment of performance GOOD</p>	<p>Timescale</p> <p>Ongoing CE</p> <p>Ongoing CE</p> <p>Ongoing CE</p>	

Charitable Trust Assurance Framework – Risk 4

Objective(s): To be well regarded in the Local Community		Risk Owner: Trustees	
Risk: Poor Reputation		Lead Committee: General Purposes	
Risk Rating:		Date last reviewed: September 2015	
		Date review due: September 2016	
<p>Risk Rating: (Likelihood x consequence): Possible and Significant = 9</p> <p>Initial: RED Current: AMBER Target: GREEN</p>	<p>Rationale for current score: Failure in this area would have an impact on the sustainability of the Trust and is therefore AMBER. There is an uncertainty around how the community views the Trust at this time. Although the level of formal complaints from the community is minimal.</p> <p>Rationale for target score: While failure could have a serious impact on the reputation of the Trust, Trustees intend to measure the external perception of the Trust and work towards improving this.</p>		
<p>Controls (what are we currently doing about mitigating the risk?)</p> <p>Code of Conduct General Purposes Committee Collective and Individual Behaviour both within and outwith the Trust Chairman's role Having a Communications Strategy</p>	<p>Weaknesses or gaps in controls (where are we failing to put controls/systems in place or failing to make them effective?)</p> <p>Sharing good news stories Potential Breach of Code of Conduct Media training Skills matrix</p>	<p>Timescale</p> <p>ongoing</p> <p>ongoing</p> <p>Ongoing</p>	<p>Lead</p> <p>CE</p> <p>CE</p> <p>CE</p>
<p>Actions required to improve control (what more have we identified we should do?)</p> <p>Look at multi agency media training</p> <p>Ongoing media advice and training for Chair and Chair of Committees</p> <p>Continued legal advice in relation to Code of Conduct for Trustees</p>			
<p>What previous risks does this address:</p> <p>Risk ID4: Board of Trustees dominated by one or two individuals or by connected individuals</p> <p>Risk ID5: Conflicts of Interest</p>			
<p>External Assurances (Are we receiving independent assurances?)</p> <p>Partner Agency engagement OSCR Media Coverage Funded Bodies 360 Feedback</p>			
<p>Current performance (with these actions taken, how serious is the problem?) Assessment of performance is linked to number of complaints. Positive engagement with funded bodies & community (Community Councils and community groups)</p>			
<p>Next steps (- is there more we can do to focus efforts on this issue) Consider core elements of communication strategy and how we communicate outcomes/decisions to media & population Update Admin Regs in relation to Code of Conduct and conflicts - complete 360 Feedback Examine Trustee role as Trust Champions</p>			

Charitable Trust Assurance Framework – Risk 5

Objective(s): To ensure good governance of SCT's subsidiary companies		Risk Owner: Trustees	
		Lead Committee: Audit and Governance Committee	
Risk: Poor operation of subsidiary companies resulting in loss of earnings to Trust		Date last reviewed: September 2015	
		Date review due: September 2016	
<p>Risk Rating: (Likelihood x consequence): Possible x significant = 9</p> <p>Initial: RED Current: AMBER Target: GREEN</p>	<p>Rationale for current score: Relatively new processes which require to be bedded in. Furthermore, the recent turnover in Non-Executive Directors.</p> <p>Rationale for target score: Stable, functioning, appropriately skilled and experienced Non-Executive Directors on the Boards of subsidiary companies.</p>		
<p>Controls (what are we currently doing about mitigating the risk?)</p> <ul style="list-style-type: none"> • Board of Non-Executive Directors appointed for each subsidiary company • Subsidiary companies working independently from SCT • Regular update reports to Trustees • Targets on Gift Aid 	<p>Weaknesses or gaps in controls (where are we failing to put controls/systems in place or failing to make them effective?)</p> <ul style="list-style-type: none"> • Change management process still ongoing for SHEAP • Changes in directorships 		
<p>Actions required to improve control (what more have we identified we should do?)</p> <p>Ensure appropriate skilled and experienced Directors are recruited</p> <p>Ensure Directors are monitored through performance of companies</p>		<p>Timescale</p> <p>March 2015</p> <p>March 2015</p>	<p>Lead</p> <p>CE</p> <p>CE</p>
<p>Internal Assurances (How do we know controls are in place and functioning as expected/are of sufficient quality?)</p> <ul style="list-style-type: none"> • Regular reports on Operational Activities • Regular reports on Financial Performance <p>What previous risks does this address:</p> <p>Risk ID6: Risks of Conflicts of interest where own agendas used</p>	<p>External Assurances (Are we receiving independent assurances?)</p> <ul style="list-style-type: none"> • Unqualified accounts • Clean audit sheet • Complying with all legislation (i.e. H&S) 		
<p>Current performance (with these actions taken, how serious is the problem?)</p> <ul style="list-style-type: none"> • Monitoring and continuing to manage ongoing change management process 	<p>Next steps (- is there more we can do to focus efforts on this issue)</p> <ul style="list-style-type: none"> • Complete Review of Governance of SHEAP • Ensure new Non-Executive Directors are appointed, inducted and supported to be effective on Boards they are appointed to • Ensure sufficient level of ongoing knowledge by all Trustees in the performance of subsidiary companies 		

SHETLAND CHARITABLE TRUST – SCORING FRAMEWORK

Descriptor	Description of Frequency
Almost certain	I would not be at all surprised if this happened within the next few months
Likely	I think this could occur sometime in the coming year or so
Possible	I think this could maybe occur at some point, but not necessarily in the immediate future
Unlikely	I would be mildly surprised if this occurred, but cannot entirely rule out the possibility
Rare	I would be very surprised to see this happen, but cannot entirely rule out the possibility

Descriptor	DESCRIPTION OF SEVERITY				
	HAZARD →	Financial loss	Disruption in service days	Community	Embarrassment
IMPACT ↓	Breach of legal requirements	Financial loss	Disruption in service days	Community	Embarrassment
Insignificant	Litigation claim ≤£2K	≤£10K	None	Inconvenience to an individual or small group	None
Minor	£2k to £50k	£10k to £100k	1	Impact on an individual or small group	Contained within Trust
Significant	Claim £50k to £250k	£100k to £500k	2-3	Impact on a local community	Local public or press interest
Major	Claim £250k to £1m	£500k to £1m	4-14	Impact on several communities	National public or press interest
Catastrophic	Multiple civil or criminal actions claim of above £1m	≥£1m	≥14	Impact on the whole of Shetland	Officers and/or Trustees forced to resign

Frequency →	Rare	Unlikely	Possible	Likely	Almost Certain
Severity ↓					
Insignificant				4	
Minor			6	8	
Significant		6	9		
Major	4	8			
Catastrophic					

Frequency → Severity ↓	Rare	Unlikely	Possible	Likely	Almost Certain
Insignificant				4	
Minor			6	8	
Significant		6 Risk 3	9 Risks 2,4, 5		
Major	4	8 Risk 1			
Catastrophic					

REPORT

To: Shetland Charitable Trust

10 September 2015

From: Chief Executive

Report number CT1509044

Service Performance of Funded Organisations – Year Ending 31 March 2015**1. Introduction**

1.1 The purpose of this Report is to present Trustees with information regarding the services, which are being provided by the various organisations to which the Trust provides funding. The Report is for noting, following consideration of the information provided.

2. Background

2.1 Trustees may recall that as part of the budgeting process, Service Co-ordinators are required, on behalf of the Trust, to determine:

- the strategic service framework within which any bid for funding from the SCT should be considered;
- an appropriate level and standard of service to be provided and express that in a Service Statement or Service Level Agreement (as appropriate);
- the appropriate cost at which to buy that service with due regard to comparable information and funding from other sources; and
- an appropriate monitoring and evaluation framework to ensure that services are being delivered to the required standard.

2.2 This Report now seeks to measure how successful the organisations are at delivering that given range of services to the community.

3. Present Position

3.1 Appendix A is a brief summary of the detailed service performance reports provided by each organisation. The Grant Offer Letter, which organisations sign up to prior to any money being released, states that, *“the Grantee provides service performance reports as required for the proper monitoring of the grant, the reports to be of a format and frequency to be agreed by the Service Co-ordinator”*.

Depending on the size of the organisation, and other factors, the information can be requested quarterly, six monthly or on an annual basis.

- 3.2 Table 1 below provides a summary of progress and/ or highlights any major variations to the targets set, with explanations as required.

Table 1: Summary of Key Issues and/or achievements

Organisation	Comment
Royal Voluntary Service (RVS)	RVS successfully recruited to its vacant posts in the year which has allowed them to exceed their targets in service user interactions.
Disability Shetland	Disability Shetland performed well in the year meeting all targets and exceeding them in one case.
Shetland Recreational Trust (SRT)	SRT were unable to meet opening hours and admissions targets in some cases. They amended the opening hours at rural centres during their quietest periods; this meant that there was little effect on admissions. The admissions targets were affected by a maintenance closure of the pool at Clickimin and also a reduction in school admittances.
Shetland Accordion and Fiddle Festival (SAFF)	SAFF were unable to meet a number of sales targets in the year. The main reason for this was due to a reduction in the number of visiting members. This reduction was largely due to difficulties finding affordable travel and accommodation.
COPE Limited	COPE successfully re branded during the year and has significantly developed the organisation. This has allowed them to become registered for ASDAN and participants can now work towards these awards, which contribute towards employability skill recognition.
Shetland Arts Development Agency (SADA)	SADA have performed well in the year exceeding their targets in certain areas which highlights the improvements being made within the organisation.
Shetland Islands Citizens Advice Bureau (SICAB)	SICAB have been unable to meet a number of their targets in the year. This has been primarily due to there being staff shortages at various points during the year and some changes in legislation eg tribunals.
Shetland Amenity Trust (SAT)	SAT successfully completed and opened Sumburgh Head in June 2014 which it plans to operate as a self sustaining attraction.

4. Financial Implications

- 4.1 There are no financial implications arising from this Report.

5. Conclusions

- 5.1 In terms of performance, there are no major issues of concern with regard to service delivery to report to Trustees. The Trust continues to work closely with organisations throughout the year to help ensure maximum benefits to Shetland and its inhabitants.

6. Recommendations

6.1 It is recommend that Trustees:

- a) Consider the content of Appendix A;
- b) Highlight issues or areas where Trustees might wish to receive further information or clarification; and
- c) Otherwise, note the satisfactory service performance of the organisations that received funding from Shetland Charitable Trust.

Reference: KE/DA1
Date: 28 August 2015

Report No: CT1509044

Shetland Amenity Trust

Purpose

To provide core funding to support the organisational and staffing costs, to support the diverse range of services and enable the Trust to lever in additional funding.

Shetland Amenity Trust will continue to deliver an effective, holistic service which embraces all aspects of Shetland's cultural and natural heritage. The service supports, encourages and facilitates the sound management and sustainable development of Shetland's natural and cultural resources and facilitate access, both intellectual and physical, thereto for all.

Key Targets 2014-15

1. Management, Finance and Administration

- Support the complex and diverse range of projects/services offered by Trust.

Actual Service Delivery

- Management continue to support all aspects of Trust activities including the progression of funding opportunities for projects/funding. Funding was secured for the geology post for the next 2 financial years. Negotiations were undertaken with Shetland Islands Council regarding future funding for Shetland Museum & Archives, Architectural Heritage and Promote Shetland. Continued focus on the management of the Sumburgh Head project.
- Concentrated admin support provided to the launch of Sumburgh Head as a "live" site in Q1 2014/15, including planning for the official opening in June 2014 undertaken by HRH The Princess Royal.
- Application submitted on behalf of 15 partners to the EU Creative Europe Programme for the €3.92 million Follow The Vikings project. Decision due in early Q1 2015/16.
- Payroll and key finance processes are working effectively. No errors or omissions identified. Year-end procedures completed.

- Ensure Finance Function continues to support the business needs of the organisation and meets all legal and regulatory requirements.

<ul style="list-style-type: none">• Continue to review the structure and function of administration within the Trust to ensure that it effectively supports the Senior Management Team, Trustees and the wider organisation.• Develop and secure a sustainable funding model for the delivery of the Trust's Architectural Heritage function, a key element of the over-arching Trust Deed.• Following the successful restoration of the Sumburgh Head Lighthouse as a visitor centre and nature reserve, deliver a self-sustaining service for the benefit of the public in line with the Trust's objectives of promoting greater public access to Shetland's natural and cultural heritage. Anticipated paying visitors 10,000 in year 1.• Manage the delivery of the Shetland Museum and Archives services. Encourage a sense of community ownership in the facility and through it promote Shetland's cultural and natural heritage to a wider audience. We expect 90,000 visitors during 2013/14	<ul style="list-style-type: none">• 2014/15 Financial Statements audited and Consolidated Accounts completed.• On-going – staff continually looking to identify savings and increase business efficiency.• On-going assessment of performance and needs, reviewed monthly by Admin Manager and Team. <p>(See 1st bullet point, above).</p> <p>(See 1st bullet point, above).</p> <p>(See 1st bullet point, above).</p>
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2. Archaeology

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|---|--|
| <ul style="list-style-type: none">Enhance and develop the use of the SMR database, responding to land management issues and other enquiries; developing the marine aspect of the SMR; maintaining and developing the SMR database; supply SIC planning department with GIS shapefile. | <ul style="list-style-type: none">Continuing to respond to land management and other enquiries and continued involvement in the Marine Spatial Planning Group.There is now a plan to prepare data area by area in readiness to upload it to "Pastmap", which is the portal for all the SMRs to put data online. The Trust's first download (for Unst sites) was carried out in February.The Shetland Archaeologist is part of the SMR Forum exploring issues of how best to put SMRs online. |
| <ul style="list-style-type: none">Secure World Heritage Status for "Mousa, Old Scatness and Jarlshof: the Crucible of Iron Age Shetland", following the recognition and inclusion of the sites on the UK Tentative List. | <ul style="list-style-type: none">Advice and feedback received from Historic Scotland on how to move forward.Efforts now focussed on conservation of Old Scatness and Historic Scotland has visited with 2 groups and offered practical support on this.The Shetland Archaeologist has visited Fort George to see how Historic Scotland evaluated the need for conservation with a view to carrying this out at Scatness.Work has started on a Conditions Survey to help assess the conservation needs involved. Every wall face has been photographed. |
| <ul style="list-style-type: none">Secure funding to develop Old Scatness as a world-class visitor centre with use of innovative architecture to protect and showcase the site.Continue to work closely with SIC on development control issues. | <ul style="list-style-type: none">-Archaeologically sensitive developments identified and appropriate recommendations made for mitigation through imposition of conditions or predetermination fieldwork. |

<ul style="list-style-type: none">• Work with the local community to deliver a seasonal visitor attraction at the Viking Unst sites.• Develop future archaeological projects, such as a second phase of the Viking Unst project or the West Side Prehistory project and identify sources of funding.• Complete the publication of the 17th Viking Congress proceedings held in Shetland in 2013.	<ul style="list-style-type: none">• -• This period has focussed on Old Scatness• Peer review and editing of papers for the Congress Volume continued involving the Shetland Archaeologist, Olwyn Owen of Historic Scotland and Doreen Waugh, place names and linguistics specialist.
<p>3. Environmental Improvement</p> <ul style="list-style-type: none">• Continue and expand core activities such as community recycling of food and drink cans, glass and the salvage of architectural building materials for public renovation projects. Expect to recycle 450 tonnes of glass and over 5 tonnes of aluminium over the financial year.• Engage with the community at all levels to increase awareness and understanding of Shetland's environment and the actions they take to protect and enhance it.	<ul style="list-style-type: none">• Dunna Chuck Bruck Challenge for schools and youth groups launched – accessible through the Amenity Trust website: http://www.shetlandamenity.org/dunna-chuck-bruck. Attended the Sound Primary School to present certificates etc. to the first group to complete the challenge.• Joined with SNH to remove a large amount of monofilament net and local community members to cut and remove a fishing net which came ashore in the South Mainland. Both events were documented on the Dunna Chuck Bruck Facebook page.• Reinitiated a schools roadside antilitter campaign project, the central focus of which will be to produce a cinema ad to show in Mareel. The schools involved are Anderson and Brae High.• Helped Brae Community Council to draft a letter to all Brae businesses appealing for their help with the mounting litter in the area and supplied Dunna Chuck Bruck stickers to go out with the letters.

- Recycling/litter workshops delivered: classroom session with 30 Brae S1 pupils focused on rubbish, litter and recycling; 2 litter and recycling workshops to a Brownie unit; workshop delivered at the Trust for Foula school pupils.
- Contacted schools to gauge interest in a possible Littoral project with artist Julia Barton. Have made contact with Zero Waste Scotland and Creative Scotland regarding funding.
- Various initiatives under the Dunna Chuck Bruck banner, including:
 - Participated in Sheep Dip Event, delivering a workshop based around sustainable use of natural resources in partnership with Geopark Shetland to over 200 pupils from various local schools over 2 days.
 - Regular updates on the Dunna Chuck Bruck Facebook page.
 - Delivered recycled crafts workshop in Unst as part of Shetland Nature Festival, attended by 81 people.
 - Promotional stall at Cunningsburgh Show.
 - Passed on details of possible funding sources to Brae High School for a litter project they are undertaking.
 - Contacted McDonald's regarding happy meal balloons found on Shetland beaches.
 - Carried out a mini redd up on Scousburgh Sands to show what anyone can achieve in an hour.
 - Responded to enquiries from other anti-litter groups/initiatives throughout the UK and have worked together where possible.
 - Highlighted the issues of dog fouling on our FB page to coincide with an event and promotional activities undertaken by SIC Environmental Health.

<ul style="list-style-type: none">• Following successful upgrading of the facilities at Cunningsburgh, deliver sustainable glass recycling operations focussing on recycled glass pavers and other high quality recycled products.	<ul style="list-style-type: none">- Met with an OU student who is carrying out a project on local litter issues.• 477.57 tonnes of waste glass processed & recycled.• Marketing - Local promotions include: Installation of a bespoke fire place in the Writing the North exhibition in the Shetland Museum Gadderie (exhibited for 6 weeks during Apr/May), news stories added to website, local adverts and press releases, new products, including stepping stones and new styles of paver added to range at COPE Garden Centre; promotional stand and factory tours given during the Cunningsburgh Show; updated display area at Enviroglass factory; interview with Radio Scotland Out of Doors Programme; Promotional stand at Shetland Environmental Awards Event; continuing contact with architects involved with the new Anderson High School Project to try and get products specified.• Trust's Marketing Officer & Environmental Improvement Project Officer attended a HIE Marketing Expert programme workshop focused on Enviroglass. The workshop included product placement, target markets and marketing messages. We had a follow up session and received a report on their recommendations.• Tours – Islesburgh Out of School Club; Anderson High ASN Department; Foula Primary; Iain Gulland, Director of Zero Waste Scotland; Mal Williams, Director of Zero Waste Wales; and Luke & Kate Holt, of Green Croft.• Enviroglass precast pavers undergoing carbon footprint assessment to PAS2050.• Development – In the process of looking to acquire an existing shed at the site for storage, staff facilities and product display areas. New supplier for inlays identified
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<ul style="list-style-type: none">• Undertake Da Voar Redd Up activities and community involvement environmental improvement and litter prevention initiatives. Expect over 50 tonnes of rubbish to be collected as part of this year's Redd Up.• Promote a range of environmental issues, such as litter prevention, waste minimisation, recycling, reuse and energy efficiency through the Dunna Chuck Bruck initiative.• Continue the valued Muck and Bruck operations throughout Shetland. Over 250 scrap requests to be processed.	<p>and house number signs developed.</p> <ul style="list-style-type: none">• Main Redd Up weekend, 26th & 27th April, 2014. 4,349 volunteers involved with 67.20 tonnes of bruck collected and disposed of to date.• Mini Redd Ups supported throughout the year and several skips supplied to the outer isles for removal of Redd Up bruck.• Took part in several Redd Ups, including one with a local school, which cleared a beech of nearly 2.5 tonnes of bruck, and another with a Brownie pack. Both included follow up workshops. During the school Redd Up we collected 311 plastic shotgun cartridges and 135 pieces of shotgun wading, which we sent to the Plastic Free Shotgun project to add to their research.• Promotion of Voar Redd Up and its Groups in local media and on the Dunna Chuck Bruck Facebook page.• New feature successfully used for 2014 was working with local aquaculture industry companies to help clear/move bruck from more remote areas to accessible collection points. We also appealed to groups to collect mermaid's purses, which were identified and added to the Shark Trust's national survey. Both of these initiatives were promoted on the DCB Facebook page.• 234 end of life vehicles uplifted. 263 requests for uplift of fencing wire, redundant agri-equipment and large electrical goods completed. 111 end of life vehicles depolluted with Certificates of Destruction issued. Several vehicles from outer isles, including Fair Isle, Foula, Skerries and Papa Stour.• Assistance given to Unst Community for a trial community
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<ul style="list-style-type: none"> • Ensure Trust remains at Gold Level in Green Business and Tidy Business Award Schemes and is a contender in award/ recognition schemes in relation to the above projects. 	<p>skip scheme.</p> <ul style="list-style-type: none"> • Assisted SIC Environmental Health with the disposal of a redundant caravan from Unst. • Renewed contract with Car Take Back until end 2016. • Green Business Award Scheme assessment carried out 18th June, the Trust remains at a gold level. Next assessment due 2016. • Shetland Tidy Business – the local authority no longer runs this scheme. • Entered Enviroglass into the 2014 Social Enterprise Awards, however it did not make the shortlist.
<p>4. Interpretation</p> <ul style="list-style-type: none"> • Maintain the Shetland Interpretive Plan, ensuring that it addresses the needs of the Shetland community and supports funding initiatives. • Continue to support the provision of interpretive panels where appropriate. • Continue to support the network of community museums and history groups working in partnership ensuring that investment in this sector is safeguarded for future generations. • Working along with Shetland Heritage Association, develop and rationalise a coherent strategy of support for community museums and heritage groups. • Maintain the suite of interpretive leaflets. 	<ul style="list-style-type: none"> • Owing to a number of recent developments regarding interpretation in Shetland the draft Shetland Interpretive Plan has, of necessity, been redrafted. • Work on-going. • Network of 19 heritage organisations received annual running cost grants. Reporting forms were issued to recipients. • Work on-going. • Stocktakes undertaken periodically and funding secured from SIC Economic Development to maintain and reprint

the suite of leaflets. Community Councils consulted on any updates.

- Maintain the Shetland Heritage & Culture website and online presence for the Heritage Hub.
- Consider and develop innovative interpretive initiatives of the highest quality, thereby setting new standards for the better interpretation of Shetland.
- Continue to develop and publish works under the Trust's Heritage Publication banner.
 - Prof Flinn's book "The Geology of Unst & Fetlar in Shetland" published.
 - Military Trail pack printed.
 - "Granny Linda and the Lighthouse" published.
 - Facsimile print of C.E. Mitchell's "Up Helly Aa Tar Barrels and Guizing" published.

5. Natural Heritage

- Maintain, enhance and develop the present functions of the SBRC database. Around 10,000 new records to be entered over year.
- SBRC continues to collate data and input this into the database. All Planning Applications were scanned and relevant bodies notified where there were potential adverse impacts on biodiversity. Contributed to various SIC policy initiatives, most notably the Local Nature Conservation Sites initiative and Environmental Action Team (EAT) as part of the Community Plan.
- All targets identified in the Service Level Agreement were met.
- A report on biodiversity indicators was submitted to SIC as part of the EAT.

<ul style="list-style-type: none"> • Support the service provision at the Sumburgh Head Lighthouse, Visitor Centre and Nature Reserve. • Manage Geopark Shetland as per the Action Plan agreed by the Shetland Geology Working Group and maintain membership of the Global Geopark Network. • Following the 2-year funding package provided by the Scottish Government, develop and deliver a viable business plan and funding strategy to secure long-term funding for Geopark Shetland. 	<ul style="list-style-type: none"> • Project completed and the site is open. • Three lesson plans developed (geology, ornithology and marine life). • Scottish Government funding secured for 2 years until end of March 2015. • A range of options being pursued for continued funding beyond April 2015. • Geopark Project Officer continues to develop a range of projects with a variety of partners (both within Shetland, nationally and internationally). • Staff continue to attend relevant EGN and GGN meetings as required. • Geopark Project Officer continues to fulfil Geopark Action Plan and meet obligations of Global Geopark Network membership.
<ul style="list-style-type: none"> • Ensure that all species of endemic and threatened hawkweeds are in cultivation (working with Woodlands Team). • Secure funding, organise and deliver the annual Shetland Nature Festival. Target to equal last years participation of almost 1,000 people. 	<ul style="list-style-type: none"> • All species held in cultivation. • Shetland Nature Festival 2014 was successfully delivered. • Planning for Shetland Nature Festival 2015 nearing completion.
<p>6. Place Names</p> <ul style="list-style-type: none"> • Record place names from oral and archive sources. 	<ul style="list-style-type: none"> • Supplied copy maps and recording sheets to volunteer recorders and member of the Tingwall, Whiteness & Weisdale History Group. • Held recording sessions with Waas and Burra History

	Groups.
<ul style="list-style-type: none"> • Maintain the Shetland Place Names database and linked digital mapping, and develop a strategy for public access. • Become the recognised authority on location and recording of Shetland place names. 	<ul style="list-style-type: none"> • Updated database and digital maps with place names recorded by individuals and groups across Shetland. • Provided information to a number of individuals and organisations interested in location, spelling and pronunciation of a range of place names. • Assisted individuals choose names for their new houses. • Acted a moderator for the Transcribing Scotland's Places Project, verifying place names and offering support in transcribing documents relating to Shetland. • Discussed meaning and relevance of place-names with Marine Spatial Planning Officer working on Seascape Character Assessment for Shetland.
<ul style="list-style-type: none"> • Research and publish information on Shetland place names. 	<ul style="list-style-type: none"> • Researched the meaning of a number of place names in response to enquiries. • Researched and wrote article for New Shetlander on Dunrossness place-names.
<ul style="list-style-type: none"> • Record information on Shetland's inshore fishing meids. 	<ul style="list-style-type: none"> • -
<ul style="list-style-type: none"> • Develop links with educational establishments and prepare resources in partnership with other Trust staff. 	<ul style="list-style-type: none"> • Visited Nesting Primary School to discuss place-names and their meanings with upper primary bairns and teachers to help develop their proposed circular walk around South Nesting. • Provided help for school project on Wartime Shetland.
<ul style="list-style-type: none"> • Provide accurate visitor information on location, pronunciation and meaning of place names for use in publications and by tour guides and rangers. 	<ul style="list-style-type: none"> • Continued to assist in the development of project plan for Lerwick Community Council's proposed interpretive panels

<p>Promote the Project at local, national and international events.</p> <p>Represent the Trust on Shetland ForWirlds committee and provide support for the promotion and development of the dialect.</p> <p>7. Woodlands</p> <ul style="list-style-type: none"> Explore funding opportunities to enhance, preserve and develop aspects of Shetland's flora and habitats. 	<p>at Harrison Square.</p> <ul style="list-style-type: none"> Place-names maps and information supplied for Shetland Field Studies Group guided walks. Place Names leaflet handed out at all outreach opportunities. Checked dialect and place-name spellings for new bird book and conducted research into other place-names for another publication. Place-names maps and information supplied for Nesting History Group's summer displays. Project promoted to members of Sandwick RVS group. Delivered talks to Burravoe and Sound SWI and Lerwick RVS groups. Attended committee, general, merchandising and education group meetings. Helped co-ordinate and support activities and events as part of <i>Da Year o Dialect 2014</i>, including <ul style="list-style-type: none"> – compering bairns concert at Folk Festival and involved in Variety Concert at Garrison Theatre. – <i>Mird o Wirlds</i>, new small guide to common Shetland words and phrases, launched and proving popular. – launch of visual art competition seeking pieces inspired by Rhoda Bulter's poetry. – promoted dialect and Shetland ForWirlds at Skeld Regatta. Input into landscaping proposals for new Anderson High School and proposed Stoney Hill housing project. Contact made with school landscape architect regarding planting proposals and removal of existing trees and shrubs on
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<ul style="list-style-type: none"> • Secure a suitable arboretum site and explore funding opportunities. • Continue to support and promote local tree planting initiatives. Aim to plant around 3,000 trees annually. • Initiate or support projects which reintroduce native/endemic species in appropriate natural habitats. • Review the Shetland Woodland Strategy. 	<p>school site. Advice given on trees, shrubs and herbaceous plants given. Locations for transplanted trees and shrubs on site identified.</p> <ul style="list-style-type: none"> • Discussion with SIC regarding tree planting proposals for east side of Clickimin loch, in conjunction with new path works. • - • Advice given to SRDP woodland applicants and other interested people. • Native juniper from Burn of the Twa Roes potted on: note that many plants display upright instead of prostrate form at this stage. • Peatland Restoration project gets funding from SNH. Woodlands Team to assist with restoration field work and propagation of bog plant species. Project Officer attends FSG Sphagnum ID course at Kindrogan. • New stock fence installed at Cornus suecica site in Yell. • Woodland Team provides in-kind resources for re-introduction of blanket bog species for Peatland Restoration Project. Blocking gullies at demonstration site near Cunningsburgh, planting and propagation of sphagnum species and cotton grass on site and at Horticultural Unit. • See below, Rebranding & Updating.
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<ul style="list-style-type: none"> • Co-operate with the Forestry Commission and other bodies in relation to forestry grants, woodland development, etc. • Pursue biomass initiatives, e.g. Short Rotation Coppice (SRC). • Develop propagation programmes at the Stoney Hill Horticultural Unit using traditional methods and tissue culture. Propagation of 6,000 plants targeted annually. • Bring remaining endemic Shetland hawkweed species into cultivation. • Maintain an effective advisory service and demonstrative role in Shetland's woodland development. 	<ul style="list-style-type: none"> • Planting completed at two SRDP projects, at Linga in Waas, and at Dales Voe. • Funding application to SNH for Peatland Restoration Officer successful and appointment made. • Participation in drawing up Shetland Community Plan continues (Amenity and Access). • Environmental Partnership and Amenity and Access sub-group continued. • LNCS sites to include woodland areas at Clickimin, Loch of Voe, Kergord and Voxter. • South Whiteness trial plot shows good second year growth.
<ul style="list-style-type: none"> • See above under native/endemic species. • Possibility of new plant material next year from University of Dundee Botanic Garden for tissue culture. • All species held in cultivation. • Thinning and windblow clearance at Kergord and Sullom continued. • Repair and maintenance of paths at Loch of Voe Community Woodland, and at Sullom. • Advice given to a number of groups and individuals regarding site and tree selection for planting, and tree surgery techniques. • Participation in ShEEP activities and Shetland Nature Festival plans, John Muir Award projects and contributing to school woodland/wildlife areas. 	<ul style="list-style-type: none"> • See above under native/endemic species. • Possibility of new plant material next year from University of Dundee Botanic Garden for tissue culture. • All species held in cultivation. • Thinning and windblow clearance at Kergord and Sullom continued. • Repair and maintenance of paths at Loch of Voe Community Woodland, and at Sullom. • Advice given to a number of groups and individuals regarding site and tree selection for planting, and tree surgery techniques. • Participation in ShEEP activities and Shetland Nature Festival plans, John Muir Award projects and contributing to school woodland/wildlife areas.

<ul style="list-style-type: none">• Rebrand and update existing Tree Planting information notes and expand the series.• Plan an active role in the development of the Open Space Strategy for Shetland.• Undertake landscaping works at Trust and other properties, where appropriate.	<ul style="list-style-type: none">• Rebranded leaflets available on Woodlands page of SAT website. <p>No new areas identified or proposed (but see above PIR re arboretum).</p>
<ul style="list-style-type: none">• Landscaping at Sumburgh Head completed including reseeding and turfing grass areas and planting shrubs; windbreak netting installed and fences repaired.• Woodland and tree survey at Halligarth, Unst undertaken for Scottish National Trust.	

Shetland Arts Development Agency

Purpose

To encourage, support, inspire, promote, develop and deliver activities in the fields of: dance; drama; theatre; film; literature; music; crafts; and visual arts with a view to the advancement of arts and culture and improving the quality of life for the inhabitants of the Shetland Isles.

- Exhibitions by local, national and international artists and makers at Bonhoga
- Promote and support Visual Arts
- Promote and support Crafts development
- Provide Drama development opportunities
- Develop Dance activities
- Promote and support Literature development
- Promote and support Music development
- Encouraging Film and Digital Media development
- Encourage performances at Mareel and the Garrison Theatre

Key Targets 2014-15

Actual Service Delivery

Bonhoga

The following lists the 2014/15 exhibitions programme:-

Shetland Open - Welcomes entries from amateur, professional and student artists and craft makers. This year's theme is "home".

Shetland Open and Bairn's Open, on the theme of home, had over 60 entries from amateur and professional artists, young and old.

<p><u>Message in a Bottle</u> – Showcasing the diversity of Bill Brown within the medium of ceramics.</p> <p><u>20:20</u> – To commemorate the 20th anniversary of opening of Bonhoga.</p> <p><u>Common Thread</u> – Exhibition by Jen Deschenes presents a visual narrative through textiles.</p> <p><u>Peerie Christmas</u> – Best selected art and craft collections.</p> <p><u>Artists Rooms - Fallen</u> – Iconic photographs by Don McCullin, provide an extremely powerful contemplation of humanity.</p> <p>Targets:- Sessions 5, Audience attendances 60,000, Exhib/Concerts etc 19,</p>	<p>Shetlander Bill Brown exhibition of ceramics exceeded expectations for gallery sales, and included a successful children's workshop.</p> <p>20th anniversary programme was successfully staged. A catalogue was produced and sold and exhibitions included activity sheets for children.</p> <p>Jen Deschenes presented an exhibition of textiles and film during the summer as did book artist Judith Yarrow.</p> <p>Peerie Christmas exhibition showcased selected art and craft collections from studios and designers based in Shetland and from the mainland UK.</p> <p>The Don McCullin exhibition was exceptionally busy and involved a learning project delivered in partnership with Shetland Museum and Archives. Wide coverage was attracted and there was a young ambassador's trip to London where they got to meet Don McCullin. Attendances were significantly increased during this exhibition.</p> <p>Other exhibitions hosted late in the year by local photojournalist Calum Toogood, landscape painter Chris Rigby and photographs by Paul Boyle.</p> <p>See stats in table below</p>
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Visual Arts

Support groups and organisations. Supervise space2face restorative arts project in partnership with the Community Mediation Team. Administer the Visual Art and Craft Award scheme with SIC Economic Development and Creative Scotland (funding dependent).

Targets:- Sessions 122, Exhib/Concerts etc 1,

Funding secured to continue the Visual Art and Craft Award scheme. During 2014/15 a total of 36 applications were received, with 22 awards made to Shetland makers and artists.

Work continued with Space2face project in partnership with Community Mediation Team. Groupwork took place with the Bridges project, and a new area of work with returning Shetland prisoners. The Visual Arts Development Officer (VADO) also worked on the Pelagic Sculpture project with organisations in the fishing industry and jointly managed the Ebb Tide film project which was premiered at an event in Glasgow.

Other activity delivered during the year was co-ordinating untutored life drawing classes and providing support and advice to individual artists and community groups on request.

Craft Development

Reduction in 2014/15 as Officer retiring. Target is to increase participation by young people through proposed SADA/SIC programme to deliver Creative Scotland's "Arts Strategy for Young People". Advocacy for craft continues within the Visual Arts & Craft Awards, a partnership with Alzheimer Scotland and the Bonhoga Gallery Programme.

Craft development continued to be supported by the VADO and staff at Bonhoga. Mentoring and 1:1 support provided to Shetland makers and groups throughout the year. Work ongoing with the dementia knitting group in partnership with Alzheimer Scotland who meet monthly in Mareel.

A "Meet Your Maker" event was held with Bill Brown as part of his ceramics exhibition in Bonhoga. Similar events were held with Jen Deschenes. Both were well attended by children and

Targets:- Sessions 37,

Drama Development

Continue development of Shetland Youth Theatre with two major projects and planning for 21st anniversary project. Continue support and development of Splinters Youth Theatre and other drama groups where appropriate. Use drama as a methodology with other groups when feasible. Support individuals in developing their potential.

Targets:- Sessions 120, Audience attendances 600, Exhib/Concerts 4

young people.

See stats in table below

Rehearsals and development workshops with Splinters Youth Theatre culminated in three performances of "Ubu Roi" by Alfred Jarry at Bells Brae Primary School.

A partnership with the "Stomping Ground Theatre Company" was established and developed during the year. This enabled two successful week long summer projects for children and young people called "Make a Scene" and "Beginners."

Support was provided to Splinters Youth Theatre who rehearsed for and performed its winter production "Remote." The production was performed as part of NT Connections, the largest festival of Youth Theatre in the world which is organised by the National Theatre of GB. Over 20 young people participated which was rehearsed 3 times per week over a 6 week period and then performed on 3 nights at the Garrison Theatre. A visiting director of NT Connections provided positive feedback on the performance.

Support provided to local groups preparing for the annual Drama festival. One student was given support with audition speeches which led to the student being granted a conditional place at the Royal Central School of Speech and Drama.

In addition to this weekly drama classes continued for primary age children which were well attended. Sessions culminated

in a presentation to family and friends called "The fisherman and the Dolphin." 25 children involved.

See stats in table below

Dance Development
Continue and enhance provision of traditional dance in a variety of settings. Identify gaps in provision and explore ways to meet demand. Use dance with other agencies where feasible. Where possible support development of existing dance groups and dance practitioners.

Targets:- Sessions 50, Audience attendances 100, Exhib/Concerts etc 4

Traditional dancing continues to be popular with a variety of groups e.g. schools, brownies.

Room2Manoeuvre Dance Company was booked to perform in the Garrison Theatre in October 2014, but unfortunately the performance had to be cancelled. However Room2Manoeuvre delivered 2 workshop sessions with youth people organised by Youth Services.

Discussions also took place with interested groups/practitioners with a view to developing activity.

See stats in table below

Literature Development

Organise and promote the annual book festival, Wordplay 2014. Organise creative writing residency for primary schools, in partnership with SIC Creative Links. Support and facilitate creative writing groups including Annsbrae and Supported Living and Outreach. Continue to support organisations and to support new and established writers.

Targets:- Sessions 200, Audience attendances 700

Literature Development work continued with support provided to 3 local writers groups. Shetland 13th annual book festival Wordplay was delivered and well attended. Guest speakers at the Festival included Sally Magnusson and Sports writer and journalist Richard Gordon.

The annual Creative Writing Residency project took place in Primary schools which is delivered in partnership with schools and the Council's Creative Links Officer. A storyteller visited 5 schools and delivered sessions to 6 classes.

Planning and development work in partnership with Shetland Library of "Shetland Noir", Shetland's first Crime Fiction Festival took place. The festival will run in November 2015.

See stats in table below

Music Development

Deliver full time NC and HNC Music courses, Vocational Pathway courses for school pupils and provide support for BA Applied Music. Deliver and develop Fiddle Frenzy and the Guitar Festival, and workshops by visiting artists. Provide a varied program of music at Mareel and rural venues. Support local music promoters, festival organisers and Creative Industry practitioners.

Targets:- Sessions 793, Audience attendances 15,570, Exhib/Concerts etc 129

A varied programme of music events and gigs took place in Mareel organised by a variety of local and national promoters. High profile visiting acts and local talent performed regularly throughout the year.

Mareel hosted music festivals such as Shetland Arts Fiddle Frenzy, Shetland Blues Festival and Shetland International Guitar Festival. Concerts of Shetland Folk Festival and Shetland Jazz Festival also held in Mareel.

Informal events were also regularly held at Mareel including Singer Songwriter nights, student music nights, DJ nights, open mic nights, traditional music sessions and community events such as Shetland's Got Talent. Post festive season Shetland Arts hosted Fiery sessions traditional music events at Up Helly Aa which was broadcast live on the internet, and was the venue for the annual Stand Up Helly Aa comedy night.

Another notable event hosted was the Shetland Schools Music Festival which featured young musicians from all over Shetland, from solo performers to school choirs and orchestras.

Shetland Arts delivered, in partnership with Shetland College UHI, continued vocational pathways, NC, HNC and BA music courses. Student numbers increased from 32 in 2013/14 to 36 in 2014/15. Lecturing staff have also begun delivering a Master Level module via Video Conference to student from out with Shetland. A healthy number of applications received from student for 2015/16.

In addition to this, Mareel's recording studio was busy with a number of bookings from artists such as Kris Drever and Inge Thomson. The former launched an EP that had been recorded in Mareel.

See stats in table below

Film and Digital Media Development

Organise and promote the annual Film Festival, Screenplay 2014. Continue to programme cinema spaces in Mareel so as to ensure there are films for broad range interest groups and to continue audience development. Where possible, continue to support individual film-makers and film making groups, and also national production companies.

Targets:- Sessions 5, Audience attendances 90,000, Exhib/Concerts etc 2,700

Shetland Art's annual Film Festival Screenplay took place again. It was curated by Mark Kermode, Kathy Hubbard and Lynda Ruth Williams and delivered a total of 95 events including films and documentaries, workshops, a lecture, quizzes, screenings and outreach events. The Festival was well received and attended.

The Ebb Tide project was delivered, which involved 8 Shetland film makers being commissioned to produce 6 short films for screening at the Commonwealth Games in Glasgow. The project is a partnership between Shetland Arts, Shetland Moving Image Project and Shetland Heritage Association. It was premiered in Glasgow and shown again at Screenplay.

The Vocational Pathways course in Video Production, delivered in partnership with Shetland College UHI continued to

be popular and is hoped with help to develop further Film, TV and Video courses.

Shetland Arts continued to support individuals film makers and film making groups. Shetland Arts were also involved in provided the expertise and infrastructure to support Promote Shetland in streaming live broadcast of the Heavy Metal Buffet gigs.

In addition to this, the Mareel cinemas continued to programme the latest blockbuster film releases along with a range of other niche screenings, attracting healthy audience numbers. Shetland Arts also held monthly film quizzes which are very popular and well attended.

See stats in table below

The Garrison Theatre continued to be mainly used for rehearsals and performance with regular sessions booked by local drama groups. The Garrison Theatre also hosted a range of other activities including the annual County Drama Festival, music concerts and public meetings. One highlight was the visit from KirkWall Amateur Operatic Society with their production of "Cats". Their five performances virtually sold out and over 50 people were involved in its production.

Work is ongoing to maximise the potential of the Garrison Theatre out with the traditionally busy periods.

See stats in table below

Mareel and Garrison Theatre

Actively encourage and promote the use of the Garrison Theatre and Mareel by as many local groups as possible. When financially viable, promote the provision of professional touring theatre. Increase the number of days that the Garrison is active as a venue. Run educational tours as requested.

Targets:- Sessions 15, Audience Attendances 700, Exhib/Concerts etc 10

Regular case studies received during the year

**Shetland Arts Development Agency
Audience attendances**

Service Statement	Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual Cumulative
Bonhoga	60,000	19,663	20,523	18,262	18,084	76,532
Visual Arts	0	0	0	0	0	0
Craft Development	0	0	0	0	0	0
Drama Development	600	190	147	226	200	763
Dance Development	100	0	0	320	9	329
Literature Development	700	112	11	603	0	726
Music Development	15,570	4,912	3,980	3,314	806	13,012

Film and Digital Media Development	90,000	13,179	16,307	19,473	17,032	65,991
Mareel and Garrison Theatre	700	819	1,869	2,547	1,465	6,700
Other (comedy, talks etc)	0	0	0	356	663	1,019
CUMULATIVE TOTALS	167,670	38,875	42,837	45,101	38,259	165,072

Shetland Arts Development Agency Exhibitions / concerts etc.

Service Statement	Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual Cumulative
Bonhoga	19	5	4	3	7	19
Visual Arts	1	0	1	0	0	1
Craft Development	0	0	0	0	0	0
Drama Development	4	4	5	3	4	16
Dance Development	4	0	0	1	0	1
Literature Development	0	3	0	19	0	22
Music Development	129	34	33	24	7	98

Film and Digital Media Development	2,700	471	501	733	792	2,497
Mareel and Garrison Theatre	10	5	10	11	18	44
Other (comedy, talks etc)	0	0	0	1	3	4
CUMULATIVE TOTALS	2,867	522	554	795	831	2,702

**Shetland Arts Development Agency
Rehearsals, workshops, sessions, 1:1s, etc.**

Service Statement	Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual Cumulative
Bonhoga	5	1	2	26	3	32
Visual Arts	122	62	55	65	84	266
Craft Development	37	10	8	28	6	52
Drama Development	120	66	55	50	55	226
Dance Development	50	8	10	17	34	69
Literature Development	200	28	43	37	20	128

Music Development	793	319	236	247	294	1,096
Film and Digital Media Development	5	4	9	15	15	43
Mareel and Garrison Theatre	15	6	10	10	18	44
Other (comedy, talks etc)	0	0	0	0	0	0
CUMULATIVE TOTALS	1,347	504	428	495	529	1,956

Shetland Recreational Trust

Purpose

To provide a wide range of leisure and sport activities and facilities at 8 locations throughout Shetland.

The facilities are professionally operated, well maintained to a high standard with appropriate opening hours.

The facilities are seen as places for whole communities to meet, socialise and play.

They are a major attraction for local residents and an important factor in attracting tourists.

Key Targets 2014-15

- To maintain opening hours, so far as is possible within the approved budget.

Annual Target Opening Hours:

	Annual Target Opening Hours:	Actual Service Delivery
Clickimin Leisure Complex	4,900	4,919
Unst Leisure Centre	3,690	3,571
Yell Leisure Centre	3,500	3,505
North Mainland Leisure Centre	3,640	3,758
Whalsay Leisure Centre	3,740	3,376
South Mainland Pool	2,410	2,433
Scalloway Pool	2,860	2,837

West Mainland Leisure Centre	3,920		3,482
<ul style="list-style-type: none"> To maintain existing admission rates, and promote new users. 			
Annual Target Admissions:			
Clickimin Leisure Complex	380,000		346,734
Unst Leisure Centre	28,500		29,307
Yell Leisure Centre	40,000		37,399
North Mainland Leisure Centre	50,000		51,674
Whalsay Leisure Centre	50,000		52,875
South Mainland Pool	28,500		34,460
Scalloway Pool	32,500		41,152
West Mainland Leisure Centre	52,000		43,691
<ul style="list-style-type: none"> To maintain an average of 400 SRT and rural subscription members. To maintain an average of 470 corporate subscription members. Achieve attendances of 26,000 through swimming classes and courses. Achieve attendances of 25,000 in sport and exercise classes. 			
			390
			501
			30,581
			28,496

- Continue to provide Senior Leisure Clubs for older adults at West Mainland, Clickimin, Unst, Whalsay and Yell.
- Maintain attendance figure of 3,400 for Senior Leisure Clubs.
- Achieve attendances at health promoting classes of:
 - Neurology 800
 - Exercise after stroke 300
 - Cardiac Rehabilitation Phase IV 370

264
3290
1394
407
330

- Work in partnership with local event organisers to deliver a minimum of 6 large scale community events at Clickimin for the people of Shetland.

Attendances:

Folk Festival 2,470
 Classic Car Show 4,382
 Relay for Life 3,750
 Levellers Concert 1,000
 Commonwealth Games Baton 800
 Accordion and Fiddle Festival 750
 Craft Fair 4,750
 Up Helly Aa – Main Hall 1,500
 Up Helly Aa – Bowls Hall 1,500

- Ensure that at least 90% of all SRT actions for 2014-15 are completed for the delivery of the Shetland Sports Strategy.

The Shetland Sports Strategy is a document agreed by four partners (SRT, SIC, sportscotland and NHS Shetland). Previously each organization prepared their own individual

action plan which was then reported to the Shetland Sporting Partnership Strategic Group.

During 2014 the Strategic Group held discussions to review how best to agree priorities for 2014/15 and during those meetings it was agreed that the structure and reporting mechanisms should be changed to better reflect how partners operate.

Also during the latter part of 2014 **sportscotland** were consulting on its partnership agreements and in particular its agreement with Shetland Islands Council regarding its investment into Shetland for the period April 2015 to March 2019. Previously this agreement would have been reached directly between **sportscotland** and Shetland Islands Council however **sportscotland** were keen that the partnership agreement was signed by all parties of the strategic group and this was duly signed by all partners at the end of March 2015. This agreement includes priorities for the next four years. In conclusion no actions plans had been agreed for 2014/15 however the agreed priorities will be reported through the new structure.

- Undertake an annual survey to assess customer satisfaction rates with the services and facilities being provided by SRT.

A survey of customers' experience over a two week period was carried out in February 2015. The results were extremely positive with 98% of customers recording their experience as very satisfied (75%) or satisfied (23%);

- Ensure that a consistent charging policy is implemented across all facilities, including standard and concessionary charges for those below 18 years of age, people with a disability and older adults (60+).

SRT Trustees approved 2014/15 prices that had generally been increased by approximately 2% on the 2013/14 level of charges.

Charges for 2014-15 to be increased by a minimum of 2%.

- Undertake a survey of non-users to understand why some people do not make use of the services and facilities provided by SRT.

411 people were surveyed across all 8 facilities. The conclusions were as follows:

- 40% of the respondents indicated that they were either not interested nor had enough time to make use of our services and facilities;
- 6.3% indicated that cost or pricing was a barrier to use;
- 2% indicated that lack of suitable activities a reason for non-use;
- 4.4% indicated that lack of transport was barrier to use; and
- 4.3% indicated that current opening hours are seen as a reason for non-use.

Next steps:

- Managers will look to identify actions to address some of the issues raised; and
- Results will be displayed on our website.

- Produce minimum of 8 case studies which highlight the positive impact of SRT services on the lives of service users.

8 case studies received which highlighted the positive impact which Shetland Recreational Trust had on their lives.

Disability Shetland

Purpose

To support the running costs of the Adult Recreation Club, including hiring venues, transport, volunteer expenses and training.

To contribute to the costs of delivering the Social Activities project.

Key Targets 2014-15

- Adult Sport Sessions (14)
- Adult Swimming Sessions (10)
- Swimming Medals Ceremony (1 annually)
- Yoga Sessions (20)
- Bowls Competition (1 annually)
- New Trained Volunteers (10)
- Youth Sports Club Sessions (40)
- Youth Sports Awards Ceremony (1)
- Social Activities Wednesday Club (44)
- Case Studies

Actual Service Delivery

14 sessions delivered
 10 sessions delivered
 1 medal ceremony held
 40 yoga sessions
 1 bowls competition held
 4 new volunteers trained
 40 sports clubs sessions delivered
 Not achieved
 44 club sessions delivered
 2 case studies submitted outlining positive impact of activities on its service users

The Swan Trust

Purpose

To make the Swan available for viewing, restored in good working order and registered as an approved sail-training vessel.

To encourage young people to sail on the Swan, to appreciate Shetland's sailing and fishing history and experience our wildlife and culture.

Key Targets 2014-15

School children (300)
Youths under 25 (70)
Adults (50)

1 trip annually to be arranged with a group of youth trainees from Shetland Sail Training (Nordic Sail booked for 2014)

Activity reports demonstrating outcomes to service users

Actual Service Delivery

243 (14 schools)
60
95

Annual Nordic Sail trip took place over a three week trip to Norway, Sweden and Denmark.

Activity reports were submitted each quarter which outlined the various school bookings and charters each quarter, along with updates on maintenance tasks to the Swan vessel over the winter months.

Highlights during the year were 9 young people taking part in the Clyde Small Ships Race and Commonwealth Games flotilla.

Unst youth group One Step Beyond had a 10 day charter to Norway before the Swan

embarked on an advertised trip Round Britain. This trip included taking part in the Falmouth to Greenwich tall Ships regatta. At the end of the summer the Swan was also used by the NAFC with its new intake of students.

Following completion of the sailing season the Swan was taken around to Scalloway to its useful winter berthing.

The programme of winter maintenance was carried out including unrigging and storing of the sails, blocks and ropes at Hays Dock, Lerwick. Saturday morning work parties were organised and well attended over these months. In February the Swan went to Macduff for its annual maintenance work. A number of new stays fitted to the rigging along with lift rafts being serviced and other routine checks completed.

Swan rep Ailish Parham attended Cumbrae Centre and successfully completed her Yachtmasters Ocean Shore based Course and RYA Coastal Skipper Practical Course which will no doubt be of benefit to the Swan in the years to come.

None submitted

Case studies

Shetland Churches Council Trust

Purpose

To Maintain church buildings and support community events along with support for training and education.

Key Targets 2014-15

Actual Service Delivery

<ul style="list-style-type: none"> To hold regular meetings of Trustees, around 6 per year, to consider Grant applications and to receive reports from Trust representatives on various groups that the trust is involved in 	<ul style="list-style-type: none"> 5 meetings held
<ul style="list-style-type: none"> To continue to assist Christian congregations with the upkeep and repair of their buildings, particularly where they have a wider architectural or community benefit, in order to ensure that these buildings can continue to provide satisfactory places of worship 	<ul style="list-style-type: none"> 6 awards primarily for external works and 1 awards for internal works Geographical spread: Ollaberry, Whalsay, Lerwick, Lunna, Walls, Scalloway
<ul style="list-style-type: none"> To ensure, where reasonably practical, that access to church buildings is barrier free so that people with disabilities can use them without restrictions and that other disabilities are mitigated 	<ul style="list-style-type: none"> 2 grants given relating for disabled facilities
<ul style="list-style-type: none"> To work together to co-ordinate and facilitate services and events 	<ul style="list-style-type: none"> Supported Burra Baptist's football holiday club
<ul style="list-style-type: none"> To help defray some of the costs of travel from Shetland, to enable people, including youth, to participate fully in activities 	<ul style="list-style-type: none"> 4 travel grants awarded
<ul style="list-style-type: none"> Sit on committees and bodies dealing with issues such as drugs and alcohol, Emergency Forum, etc 	<ul style="list-style-type: none"> Representatives on 4 bodies



Shetland Befriending Scheme

Purpose

Offering vulnerable young people the opportunity to form a trusting relationship with an adult to promote his/her personal development.

Key Targets 2014-15

- To continue to provide a high quality Befriending Service to children and young people Shetland wide.
Target: Up to 25 children and young people will receive a service per annum
- To continue to support, monitor and review matches occurring on a regular basis to ensure the befriending is benefiting the young person. Target: 75% of children and young people will achieve a positive outcome
- To continue to actively promote the service to the Shetland Community and engage in recruitment drives to seek new volunteers. Target: Ongoing

Actual Service Delivery

17 young people were matched to volunteer befrienders

Positive results achieved including:

- 85% of service users reported increase in self esteem, confidence and feelings of achievement
- 77% of service users reported they had developed positive relationships with others
- 77% of service users had increased access to new and different activities

Shetland Befriending Scheme continued to carry out a variety of service promotion and volunteer recruitment drives. This included using local press, social media and attendance at events.

2 recruitment drives held. One in late summer and the other at mid winter

- To recruit up to 8 new volunteers in the next financial year to offer the befriending service to young people. Target: Between April 2014 and March 2015
- To have up to 8 newly trained volunteers ready to be matched to a young person. Target: Between April 2014 and March 2015

10 new volunteers were recruited across whole Befriending service during 2014/15. 2 of these new recruits were trained up for the Children & Young People service

2 new volunteers were matched with a young person

Shetland Islands Citizens Advice Bureau

Purpose

Providing an independent advice and information service to:

1. Ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively and
2. To exercise a responsible influence on the development of social policies and services, both locally and nationally.

Key Targets 2014-15

	Actual Service Delivery
• New client contacts – 3,200	1943
• New client issues – 6,000	4880
• Repeat client contacts – 5,500	4377
• Repeat client issues – 11,000	8794
• Employment Tribunals (or negotiated settlements including ACAS) – 10	1
• Confirmed employment annual financial gains - £20,000	£3,000
• Confirmed annual financial gains across all subject areas, excluding Welfare Rights and employment gains - £50,000	£105,571
• Welfare Rights Appeals Tribunals – 30	6
• Welfare Rights Reconsiderations - 40	37
• Welfare Rights Reviews/ Supersessions – 65	9
• Welfare Benefit Checks – 200	450
• Welfare Rights confirmed annual financial gains - £800,000	
• Total debt managed, including Money Advice Project -	£295,809

£2,500,000

- Annual surveys – 1 client satisfaction
- Case studies – 3 every six months

£2,884,476

Satisfaction survey conducted. 80% rated the service received as excellent with 86% stating they would use the service again.
Case studies received on a range of topics from tax queries to fuel poverty and debt advice

COPE Limited

Purpose

To provide focused placements, training, support and employment opportunities to adults with learning or physical disabilities

Key Targets 2014-15

- To provide training, support and employment opportunities for people with disabilities in Shetland.
- To provide a number of short term school placements for young people with disabilities. Placements will be term time in length, unless specified otherwise in advance of placement commencing.
- To provide a number of Community Service placements within the COPE enterprises.
- To develop participant's skills and employability within a social enterprise setting and where possible, move participants on to other mainstream employment and meaningful training opportunities.
- To develop joint working partnerships with other agencies and employers to maximise sustainable employment opportunities and increased independence for participants.

Actual Service Delivery

Adults with a range of disabilities are supported and trained both through placements and supported employment. Over 100 participant placements supported every week within COPE enterprises

2 school placements provided throughout the year.

0 community service placements

0 participants were moved on to mainstream employment during 2014/15.

COPE works closely with Shetland Islands Council and other agencies as part of the Employability Pipeline working group. COPE is well connected to local agencies and Third Sector partners.

During 2014/15 COPE has developed staff training and is registered for ASDAN Workright awards and PQASSO accreditation courtesy following a successful funding bid to the Enterprise Ready Fund. A number of participants are working towards their ASDAN awards, which contributes towards employability skill recognition.

COPE successfully rebranded its business units and has been developing organisational excellence in a range of areas in order to strengthen the organisation and grow retain income.

COPE has been working alongside HIE to develop a workforce development plan for 2015/16. This will focus on developing its staff team.

Shetland Link Up

Purpose	
Providing support to people who are affected by mental health problems	
Key Targets 2014-15	
<ul style="list-style-type: none"> Attendance at SLU mixed group (1,000) Total client contacts (1,500) Number of clients actively receiving a service at any one time (22) Number of volunteers at SLU (2) Total annual volunteer hours (200) Information will be provided about number of clients moving on with positive outcomes Satisfaction outcome (75%) 	<p>Actual Service Delivery</p> <p>1208</p> <p>1442</p> <p>Average of 21 clients actively in service. A total of 35 clients supported during 2014/15</p> <p>4</p> <p>240 hours</p> <p>Quarterly activity reports received which detail work done with clients.</p> <p>94% of service users reported they were satisfied</p>

Voluntary Action Shetland

Purpose

To provide a central point for the voluntary sector, providing office space, storage, administrative support, sign-posting, advice and information to the voluntary sector in Shetland.

To provide an effective management, financial and administrative service to the Board, staff, volunteers and service users at Disability Shetland.

Key Targets 2014-15

Actual Service Delivery

Building the Third Sector Relationships with Community Planning

VAS is a partner within the Community Planning Partnership and attended 62 meetings during the year at various strategic groups and forum events.

VAS continued to represent the local Third Sector contributing to debates and local plans. This includes Shetland Community Planning Partnership, Early Years Collaborative, Community Health and Community Care Partnership and as well as various forums and sub groups.

VAS informed and supported Third Sector organisations with responses to consultations, both local and national consultations.

VAS continued to facilitate Third Sector Forum meetings which provide an opportunity for organisations to network, communicate and influence policy development.

Supporting and Developing a Strong Third Sector

Over 120 organisations received guidance and support on governance and legal structures e.g. SCIO, Company Limited by Guarantee etc.

Third Sector Organisations were better connected through regular communication updates issued by VAS. 20 newsletters and 64 e-bulletins issued on a range of topics.

VAS delivered training as requested by Third Sector organisations. 32 workshops delivered.

VAS also supported organisations to comply with PVG requirements. 96 organisations registered with VAS for PVG processing and 125 PVG checks processed during 2014/15. VAS provided information, advice and support on funding. Third Sector organisations secured £1.1m of external funding.

VAS provided an independent examination of accounts service to 50 community groups with advice and support also available to comply with OSCR returns.

VAS continued to provide office space at Market House to 19 organisations. In addition to this, VAS also provide a payroll and/or accounting service to many of the resident organisations at Market House.

VAS provided Social Enterprises with regular information and updates on relevant topics such as business planning, asset transfer, procurement.

Social Enterprise Development

VAS supported and administered the Social Economy network. 5 meetings held during the year.

10 new Social Enterprises supported and/or signposted to relevant information, training or support.

VAS raised awareness of Social Enterprises through Voluntary Voice and local media, and issued a range of newsletters and e-bulletins during the year.

VAS worked on developing networking opportunities with the private sector for Social Enterprises. At development stage.

Volunteer Development

VAS responded to over 1800 volunteer enquiries received. VAS ensured that 100% of newly registered adult volunteers had 6 weekly and annual review meetings. Youth volunteers received contact and support through Saltire awards.

VAS published and promoted all volunteering opportunities online. Opportunities were also shared through Voluntary Voice magazine, at events and using its MILO system.

VAS has worked to develop its Community Minibus service with 3 MIDAS training sessions delivered. 20 drivers completed training.

VAS continued its work with Saltire Awards with good levels of uptake from young people. All 7 Junior High and High Schools registered for Saltire and 154 community groups were given information about Saltire. Volunteers also involved with Youth Volunteering Awards, successfully delivered in partnership with

Rotary Club of Shetland and BP Sullom Voe. VAS also provided support and advice with volunteer recruitment, training and good practise.

Shetland Accordion and Fiddle Club

Purpose

To provide opportunities for the performance of accordion and fiddle music at a festival. To provide the opportunity for visiting musicians to meet and play with local musicians thereby imparting knowledge and styles to each other. To provide an opportunity for young Shetland musicians to broaden their horizons and perform to large audiences.

Key Targets 2014-15

- Maintain and build on the high standard of previous years
- Encourage as wide a range of traditional music as possible by bringing musicians from Scandinavia, Scotland, England, Ireland and Italy
- Encourage the development of young musicians, whether local or visiting, by organising specific "youth sessions" at the Festival Club
- Maintain and improve media coverage of the event to help promote both the Festival and traditional music in Shetland
- Maintain festival club membership – Over 600 members
- Maintain audience numbers at the various venues – 2,700
- Maintain the number of club members from outwith Shetland thus boosting off season tourism – Over 200

Actual Service Delivery

Similar format to previous festivals with Club based in Islesburgh and concerts taking place throughout Shetland. 75 visiting musicians came from outside Shetland including the Scottish Mainland, England, Ireland and Norway.

Two visiting musicians and two local musicians led organised music sessions for young musicians. Sessions were well attended and are likely to become a regular feature in the festival going forward.

Media coverage was good with features in the local press and using Club's website.

450 full memberships plus 58 Saturday only memberships.

2370 tickets sold.

140 members from out with Shetland.

- Carry out a customer satisfaction survey and report results to SCT. Content to be agreed with Service Coordinator.

On-line satisfaction survey carried out and report compiled. Results were very positive. For example it demonstrated over 80% of customers rated their festival experience as "excellent" or "good". The survey also confirmed that the festival generates economic benefits to the local economy with visitors spending significant sums on accommodation, in shops and on entertainment amongst other things.

Shetland Folk Festival Society

Purpose

To assist with the costs of providing artists to perform at the 35th Shetland Folk Festival and to help cover the costs of providing transport and venues.

Key Targets 2014-15

Actual Service Delivery

<ul style="list-style-type: none"> • Festival Club – a central meeting place for members and artists 	Islesburgh Community Centre continues to be the base for the Festival Club.
<ul style="list-style-type: none"> • 1 youth event - featuring young musicians from throughout Shetland 	Youth event delivered with over 55 young musicians performing to a big crowd in the Festival Club.
<ul style="list-style-type: none"> • Concerts – approximately 23 concerts are held throughout Shetland with 5,000+ in attendance 	5735 tickets sold.
<ul style="list-style-type: none"> • Outreach Concert – one held in either Unst, Fetlar, Out Skerries, Whalsay or Fair Isle, with up to 100 in attendance 	Outreach concert held in Fetlar to a sell out audience of 150.
<ul style="list-style-type: none"> • Additional Support Needs Concert – private concert for adults and children with additional support needs, with up to 100 in attendance 	ASN concert delivered at Bells Brae ASN Unit. Approximately 100 pupils and parents/carers in attendance.
<ul style="list-style-type: none"> • 1 Private Music Session - with participants at the Eric Gray Resource Centre 	Private music session held at the Eric Gray Centre to 50 service users.
<ul style="list-style-type: none"> • Playgroup Concert – one held annually each year, with up to 300 in 	Playgroup concert organised in partnership with Association of Shetland

<p>attendance.</p>	<p>Playgroups. 340 attended.</p>
<ul style="list-style-type: none"> • School Visit – at least one visit to a primary school for exchange of music and culture. 	<p>Visiting dance group visited Bells Brae Primary School. 135 pupils attended.</p>
<ul style="list-style-type: none"> • SFFS will provide information on total number of tickets (per venue) and memberships sold 	<p>Information received.</p>
<ul style="list-style-type: none"> • SFFS will provide information on how many tickets/memberships are purchased from visitors to Shetland 	<p>A significant number of visitors travelled to Shetland for the Shetland Folk Festival from a range of countries including Norway, Canada, Germany, France, Japan, Russia, United States and Denmark. Visitor numbers remained at a similar level to 2013 Festival (around 500) and provides a boost to the local economy in the off peak tourist season.</p>
<ul style="list-style-type: none"> • SFFS will carry out a customer satisfaction survey and report results to SCT. Content to be agreed with Service Co-ordinator 	<p>A satisfaction survey was carried out and illustrated really positive results. For example 95% of survey respondents classified visiting artistes as “Excellent” or “Good” and 89% of survey respondents rated prevent information as “Excellent” or “Good”.</p>

Royal Voluntary Service

Purpose

To enable older people to get more out of life by delivering practical support and a range of community based services tailored to individual need.

Key Targets 2014-15

Achieve 10% growth in the number of users of RVS Community Services with a baseline of 232.

Achieve a 10% increase in the number of service user interactions by March 2015 with a baseline of 3491.

Achieve a 10% increase in the number of service user interactions for Good Neighbours and Befriending with a baseline of 240.

Achieve a 10% growth in the number of passenger journeys by March 2015, based on a baseline figure of 250 per quarter.

Continue 2 established lunch clubs:- Cunningsburgh/ Quarff and Islesburgh. Increase attendance at clubs by 10% on a baseline figure of 24 for Cunningsburgh/Quarff and 22 for Islesburgh. Increase the range of activities offered. This includes:

- The provision of an escort for the SCT funded bus service to Islesburgh Club.
- To continue offering a range of activities, developing the social aspects of the Islesburgh club, on a minimum of two days a week. This will require the recruitment of a Service Assistant.

Actual Service Delivery

212 service users of RVS Community Service as at March 2015 (8.6% decrease)

8483 service user interactions completed (143% increase)

386 service user interactions completed (61% increase)

2523 passenger journeys completed (152% increase)

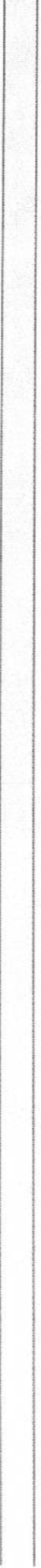
Cunningsburgh/Sandwick lunch club continued with 21 service users in quarter 4

Islesburgh lunch club continued 17 service users in quarter 4

Bus escort recruited who also provides extra support and company to older people on the bus

Regular social activities introduced during Quarter 4. These activities include music, weaving, visiting talkers, storytelling and games.

<p>Continue 6 social clubs:- Brae, Burra, Sandwick, Walls, Whalsay and Northmavine.</p> <p>72 people to be registered as active volunteers by March 2015.</p> <p>10% increase in volunteer hours delivered by RVS by March 2015, based on a baseline of 1253.</p> <p>Undertake service user survey by March 2015.</p> <p>Undertake stakeholder survey by March 2015.</p> <p>Produce quarterly Case studies.</p> <p>Investigate the feasibility of delivering new services in partnership with local services in particular as part of the Reshaping Care agenda. Specifically for 2014/15 to include investigations on Meals and Wheels delivery.</p>	<p>Social clubs continue to operate in Brae, Burra, Sandwick, Walls, Whalsay and Northmavine</p> <p>50 active volunteers in service as at March 2015. A number of inactive volunteers were removed from the database.</p> <p>Volunteer recruitment ongoing</p> <p>Total volunteers hours delivered during 2014/15 was 2465 hours (96% increase)</p> <p>Service user and volunteer surveys completed</p> <p>Stakeholder survey not completed</p> <p>Case studies received</p> <p>Following changes in staff personnel RVS has been through a period of change. Local volunteer base has been reviewed and currently a focus on essential training to its active volunteers. Established lunch and social clubs continue to operate with requests to develop new social clubs in Yell and Whiteness areas received but still to be progressed.</p> <p>Also during 2014/15 initial discussions took place with the Council with regards developing a Meals and Wheels service but did not progress further. RVS had discussions about a new Home from Hospital service.</p>
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New Shetlander

Purpose

To provide a contribution towards the printing, distribution and administration costs of producing the New Shetlander, net of sales and subscriptions.

Key Targets 2014-15

- Production of New Shetlander – 4 issues
- Total number of magazines sales – 1,000 per quarter
- Total number of subscriptions - 100 per quarter
- Organise promotional event for Shetland dialect – 1 event

Actual Service Delivery

4 issues produced – “Voar”, “Simmer”, “Hairst”, “Yule”
 Approximately 1100 per quarter
 108 per quarter
 An event was held with Shetland dialect young writers

REPORT

To: Shetland Charitable Trust

Date 10 September 2015

From: Chief Executive

Report: CT1509045

Shetland Arts Fund

1. Introduction

1.1 The purpose of this report is to update Trustees on the revised guidelines for the Shetland Arts Fund.

2. Background

2.1 At its meeting on 28 May 2015 "The Trust approved the recommendation from the General Purposes Advisory Committee that the qualification criteria of the Shetland Arts Fund is amended to only allow those under 18 to qualify for the fund from 1 April 2016." (CT/38/15).

2.2 As part of report CT1505038 it was also agreed that the funding of the festivals would be reduced over the 4 years to 31 March 2020 in line with those festivals receiving funding under the Revenue Grant Scheme.

3. Present Position

3.1 Following the decision to amend the criteria updated guidelines for the Shetland Arts Fund have been developed. This has been undertaken in conjunction with Shetland Islands Council and Shetland Arts Development Agency. The new guidelines are attached as Appendix 1.

4. Financial Implications

4.1 There are no financial implications directly arising from this report.

5. Recommendations

5.1 Trustees are asked to note the contents of this report.

Reference: KE/D18
Date: 26 August 2015

Report Number CT1509045

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Shetland Arts Fund Guidelines

The Shetland Arts Fund is designed to support:

- individuals who are aged under 18 and/or
- not for profit voluntary organisations who are either working with those aged under 18, or carrying out projects that are for the benefit of people who are aged under 18

to develop their art form and/or to deliver arts related projects and events that meet local community needs and make a lasting difference in the community.

This grant aid scheme is funded by Shetland Charitable Trust and administered by the Shetland Islands Council and Shetland Arts Development Agency. The scheme can support all forms of arts genres including the visual arts, crafts, dance, drama, dialect, film, literature, music, theatre and combined arts. We hope it will make a **real difference to the quality of life** for people living in Shetland.

1. What do we expect all funded applications to demonstrate?

Shetland Charitable Trust's Arts Fund aims to support projects and activities that: –

- Are for the benefit of young people aged under 18;
- Meet a local need;
- Represent value for money;
- Are well planned;
- Demonstrate public benefits and make a difference to the community;
- The project expenditure can be fully accounted for;
- Has developmental potential of art skills;
- Reflect the core values of Shetland Charitable Trust and Shetland Arts Development Agency.

. Who can apply?

We can support:

- Individuals based in Shetland who are aged under 18.
- Community groups and voluntary organisations based in Shetland to advance the arts that have an open constitution or set of rules which clearly defines their aims, objectives and procedures AND where the members are under 18, or the project to be funded is for under-18s.
- Events and festivals that have received a Shetland Arts Fund Event and Festivals grant within the last two financial years. (See point 7, 'How much can we fund?' for further details).

We cannot support:

- Adult individuals or organisations (for people aged 18 or over)
- Individuals or organisations seeking commercial gain;
- Individuals or organisations if there is no public benefit;

CT1509045 – Appendix 1

- Organisations or projects that should be funded from national or local taxation;
- Non arts related projects and activities;
- Retrospective funding;
- Organisations in receipt of annual core funding from either Shetland Charitable Trust and/or Shetland Islands Council for services purchased;

We can only fund projects and activities that are solely in the interests of Shetland and its inhabitants. This applies to participants, practitioners or audiences.

Please note all eligible applicants must operate a bank or building society account in their legal name. Voluntary organisations must have a bank or building society account that requires at least 2 signatures for cheques and/or withdrawals.

In exceptional circumstances applications can be considered from individuals temporarily living out with Shetland but only where the individual can evidence he/she has a permanent residential address in Shetland.

Applications from Individuals under 18 that are requesting financial support with off island travel may include the cost of one parent/guardian. The adult will only be financed for parts of the journey where they are accompanying the young person.

3. When should you apply?

If you are applying for an Events and Festivals Grant, the Council's Grants Unit must receive your completed application **at least 8 weeks prior to the project's start date.**

For Project and Individual grants, we must receive your application **at least 4 weeks prior to the project's start date.**

We will not consider funding any costs that have been paid for before we receive your application.

Late applications will be automatically turned down.

4. What else does this scheme look for?

Applicants must also be able to link to one or more of the following Shetland Arts Development Agency's Trust Deed objectives:

- Encourage and assist in promoting and advancing the creation, practice, presentation and study of all forms of art – visual, performing and creative
- Support and encourage the continual development of all arts forms
- Support existing and encourage new work
- Improve access to the arts and create opportunities for individuals, geographical communities and communities of interest to participate in and enjoy a diverse range of arts activity through performance, exhibitions and education activity
- Create opportunities for personal development through arts activities
- Promote a culture of lifelong learning through a community development approach within the arts
- Support professional artists through residencies, workshops and performances
- Promote excellence in artistic quality

- Develop the skills experience of artist practitioners, and participants and encourage learning
- Provide facilities to support artistic activities

5. What can this scheme fund?

We will consider funding (for participants aged under 18 only):

- Projects that advance the arts;
- Training, courses, workshops and learning opportunities;
- Festivals, events, activities, performances, exhibitions;
- Annual arts programmes;
- Setting up a pilot project;
- Conferences, seminars and summer schools;
- Specialist or professional fees (other than for Capital Projects);
- Research and development costs;
- Equipment and materials;
- Publicity and promotion costs;
- External transport and accommodation and appropriate fees;
- Cultural projects

6. What can this scheme not fund?

We will not fund:

- Projects for adults (aged 18 and over);
- Non arts development related projects;
- Items that only benefit an individual e.g. prizes, musical instruments;
- Loan or endowment payments or guarantees against loss;
- Projects with no potential for long-term sustainability;
- Holidays and general entertainment costs e.g. cinema, theme parks;
- Projects/activities that have already taken place;
- Business or commercial ventures;
- Fundraising expenses or projects solely aimed at generating income;
- Meals and subsistence costs;
- Capital projects;
- School/college/university projects
- Fees and other costs relating to full time, part time, further and higher education;
- Projects that do not benefit Shetland and its inhabitants;
- Projects that do not have a public benefit;
- "In kind" non cash costs
- Costs that have been paid for before we receive your application

7. How much can we fund?

There are three types of grant applications that we can consider funding. Eligible voluntary organisations can apply for an **Events and festivals** grant or a **Projects** grant. Eligible individuals can apply for an **Individuals** grant.

Events and festivals (Please note that these grants are not available to new applicants, or to applicants who have not been awarded Events and festivals funding within the last 2 financial years):

Up to 50% of eligible costs up to a maximum of:

£3,000 in 2015/16
£2,250 in 2016/17
£1,500 in 2017/18
£ 750 in 2018/19

Projects:

Up to 50% of eligible costs up to a maximum of £1,500

Individuals:

Up to 50% of eligible costs up to a maximum of £1,000

Eligible organisations cannot apply for both an **Events and festivals** grant and a **Projects** grant in the same financial period. To be eligible for the higher level of funding, **Events and festivals** are generally expected to run for a number of days, offering a range of activities. Decisions on **Events and festivals** eligibility will be at the discretion of Shetland Arts/Shetland Islands Council staff. **Please note that Events and festivals grants are not available to new applicants.**

Eligible groups, and individuals aged under 18, can apply for more than one Shetland Arts Fund grant per Shetland Charitable Trust financial year - up to the above maximums. However if you have been already awarded a Shetland Arts Fund grant in the current financial year then priority will be given to applicants who have not received any funding. (For clarification Shetland Charitable Trust's financial period is 1st April to 31st March annually).

8. How do you apply?

You read this guide

Check that your organisation can apply, we can fund what you want to do, your project links to at least one of Shetland Arts Development Agency's core values and you can meet the terms and conditions of our grant

You complete an application form and send it to us.

For Event and Festival Grants, we need to receive your application at least 8 weeks in advance of the start of your project. For all other grants, we need to receive your application at least 4 weeks before your project is due to start. This gives us time to assess your application and you time to send back any additional information we ask for. We prefer to receive applications by email but we also accept them by post.

We assess your application.

Grants Unit staff will acknowledge your application within 5 working days and will ask you for further information where necessary. Once your application is complete, it will be assessed by staff from Shetland Arts Development Agency. We might contact you with questions at any time during our assessment.

We tell you our decision.

Once your application is complete, we will give you a decision within 6 weeks, although usually it will be much sooner. If you are successful, you will receive a grant offer letter from Shetland Charitable Trust. You/your committee will need to sign the letter accepting the terms and conditions of grant and return it to the Shetland Charitable Trust by the date stated on the letter. If your application is unsuccessful we will write to tell you why.

You start your project.

You can start your project when you receive our letter confirming the grant. We cannot guarantee to fund any costs you have incurred before we have made a decision on the application. We will not fund any costs you have incurred before you make your application.

You must acknowledge your Shetland Arts Fund grant on all publicity and marketing materials.

If you want to change the purpose of your grant from that specified in your grant application, you must first get our agreement in writing.

You finish your project.

You should complete your project within 12 months of the date of our grant offer letter.
(If this is not possible, please contact us.)

We will ask you to complete an end of grant report, telling us how the grant has been spent and what you achieved with it. You will also have to send in the original receipts for the money that you spent. If you spend less than you estimated in your application, we will ask you to repay a proportion of the grant.

9. What happens if you are successful?

- Shetland Charitable Trust will issue a grant offer letter and acceptance docquet detailing the terms and conditions of the grant award;
- Once you have accepted the terms and conditions of the grant and returned the acceptance letter the grant will be paid in full directly into your bank account;
- You must comply with grant conditions and only use the funding for the purpose(s) as set out in your application form
- You will be required to complete a project evaluation form and submit a certification of expenditure form together with details of all relevant expenditure within **12 months** of the grant offer date

10. What happens if you are unsuccessful?

We will tell you the main reasons why in a letter **within 6 weeks** of receiving the completed application. You may also find it useful to contact the Council's Grants Unit or staff at Shetland Arts for further advice and assistance.

Following receipt of the written explanation you may wish you to revise your application and resubmit it or appeal the original decision.

11. Protection of Vulnerable Groups requirements

From 1st April 2011, if your organisation is applying for grant assistance from this scheme, your group/ organisation will need to decide whether you have anyone (staff or volunteers) involved in 'Regulated Work' with children (and/or protected adults)*. If your organisation has individuals involved in Regulated Work then those individuals will need to apply to become a member of the PVG Scheme, and your group must also have policies and procedures in place that adequately cover adult and child protection and welfare issues.

You will need to decide whether or not your group has individuals involved in 'Regulated Work' with children and young people under the age of 18, and/or 'Regulated Work' with protected adults (from the age of 16, generally, in receipt of specified services)*

If either of these conditions applies to your group, then you will need to ensure that you have in place **all** of the following: an Adult and Child Protection Policy and an Adult and Child Protection Procedures; for organisations working with children and young people a Code of Conduct for staff and volunteers; an Equal Opportunities Policy. Templates for these documents are available from the Community Planning & Development Service or at www.shetland.gov.uk/grants/PVG_Templates.asp and must be approved and signed by committee members of your group. Your organisation must undertake a PVG Scheme Membership check when appointing staff, volunteers or helpers who are doing 'Regulated Work' to make sure they are not barred from working with children/protected adults and as part of checking their suitability for the particular post.

*There are various stages to go through to decide whether someone is doing 'Regulated Work.' The Safer Shetland website www.safershetland.com includes links to sources of help, in

particular a self-assessment tool produced by Disclosure Scotland which will help you work through the various stages: www.disclosurescotland.co.uk/pvg_training/self-assessment/

In case of doubt, you may wish to seek further advice from either the Central Registered Body for Scotland (CRBS), on 01786 849777, or Disclosure Scotland on 0870 609 6006. Contact details for local support on this subject and more information are available on the Safer Shetland website www.safersheland.com.

Help and information about training courses is also available from the Community Development Team or from Voluntary Action Shetland, who undertake free checks for volunteers.

12. Other considerations

In addition to the above requirements applicants should consider the following:

- **Shetland Arts Fund grants must be acknowledged on all publicity and marketing material;**
- Applicants in receipt of a Shetland Islands Council Development Grant cannot be considered for a Shetland Arts Fund grant and vice versa;
- Any Award will depend on the availability of funds by Shetland Charitable Trust;
- Applicants are encouraged to investigate other sources of funding prior to applying for a Shetland Arts Fund grant;
- Shetland Charitable Trust ultimately decides applications for grant assistance.
- No further grant applications can be considered until the previous Shetland Arts Fund grant award has been fully accounted for;
- Applications to bring professional artists or similar to Shetland are expected to supply details to vouch for their credentials e.g. a CV, biography or website

13. Service Pledges

In order to improve service delivery, we have the following service pledges that apply to this grant aid scheme:

- The Council's Grants Unit will provide **accurate information** about this grant aid scheme and the application procedures.
- All grant application forms requested will be sent out **within 2 working days**.
- All grant application forms received will be acknowledged **within 5 working days**.
- All applicants will receive a decision on completed grant application forms **within 6 weeks**.
- All applicants who have had a grant application rejected will receive a **written explanation** of why it was unsuccessful.
- All applicants who have had a rejected grant application advised in writing have the **right to appeal** against the decision.

14. Alternative Funding Sources

In addition to Shetland Arts Fund, there is a number of other funding sources that you should consider applying to including:

- Shetland Islands Council – Economic Development Unit
- Shetland EU Leader Programme
- Highlands and Islands Enterprise – Shetland
- Shetland Arts – Visual Artists Award Scheme / Craftmakers Working Up Scheme
- Creative Scotland
- Awards for All

For information on more external funding sources please contact the Grants Unit

15. Data Protection Act 1998 / Freedom of Information (Scotland) Act 2002

The Shetland Islands Council is registered as a Data Controller in terms of the Data Protection Act 1998. The information provided by you will be stored by the Council on a central electronic database and will be used in a number of ways by different departments of the Council when processing any funding applications made by your organisation. The information will not be transferred outwith the Council without your explicit consent. Please contact us if you have any queries about how your information will be used.

Please note the Freedom of Information (Scotland) Act 2002 gives any person the right to request certain information that we hold. The Council and Shetland Charitable Trust regularly release information about grant awards and information regarding your application may be made available to the public. Any personal information provided will be processed in accordance with the Data Protection Act 1998.

16. Contact Details

The Grants Unit officers are available to give advice and guidance with grant applications and project planning and ***all applicants are advised to discuss their project at the earliest opportunity prior to completing your grant application form.*** Alternatively you may also seek assistance from staff at Shetland Arts Development Agency. Contact details are provided below.

Grants Unit

Community Planning & Development
Solarhus, 3 North Ness
Lerwick
ZE1 0LZ
Tel. (01595) 743828 / 743827

Shetland Arts Development Agency

Mareel
Lerwick
Shetland
ZE1 0WQ
Tel. (01595) 743843

17. Examples of projects that Shetland Arts Fund might fund...

- A youth group staging a music festival in Shetland
- A youth group publishing a series of local poems
- A young person travelling south to attend a National Youth Orchestra of Scotland course
- A community group holding a music competition for young people
- A community group bringing a professional artist to Shetland to hold a series of stained glass workshops for young people
- A youth group carrying out a film project
- A youth drama group undertaking a series of rehearsals in advance of performing a new play
- An individual curating an art exhibition that is open to the public
- A community youth group travelling out with Shetland to participate in an arts event

18. Examples of projects that Shetland Arts Fund is unlikely to fund...

- An individual or band wishing to make a CD for public sale
- An artist not based in Shetland wishing to mount an exhibition in Shetland
- A national touring theatre company seeking to perform in Shetland
- A local craft maker attending a trade fair to market and sell his/her products
- Film company wishing to make a commercial film in Shetland
- A full time/part time student from Shetland seeking assistance with university fees
- An individual, with permanent residence out with Shetland, seeking assistance to deliver an arts project locally
- Local shop selling arts related products seeking assistance to develop/sell arts products
- An individual wishing to bring a band to Shetland to perform

Please note your project may be more suited to one or more of the alternative funding sources detailed in Section 14.



REPORT

To: Shetland Charitable Trust

Date 10 September 2015

From: Chief Executive

Report: CT1509046

Bus Service for the Elderly and Disabled

1. Introduction

- 1.1 The purpose of this report is to update Trustees on the progress of the identification of efficiencies within the Bus Service for the Elderly and Disabled.

2. Background

- 2.1 At its meeting on 28 May 2015 "The Trust approved the recommendation from the General Purposes Advisory Committee to approve the continuation of the Bus Service for the Elderly and Disabled Scheme after 31 March 2016, subject to suitable efficiencies being identified" (CT/39/15).
- 2.2 Trustees also approved the indicative budget for 2016/17 to 2019/20. The report stated that there will be "A total reduction of 15% over three years, based on the 2015/16 funding level, on the bus service for the elderly and disabled totalling £7,496. This is currently being considered in consultation with the Shetland Islands Council" (CT1505038).

3. Present Position

- 3.1 Further consultation has taken place with the Shetland Islands Council and the Executive Manger of Transport Planning has confirmed that the reduction in funding that is proposed is manageable within their service planning.
- 3.2 The funding reduction will be accommodated through further service redesign.

4. Financial Implications

- 4.1 There are no financial implications directly arising from this report.



5. Recommendations

5.1 Trustees are asked to note the contents of this report.

Reference: KE/DO2
Date: 20 August 2015

Report Number CT1509046

REPORT

To: Shetland Charitable Trust

Date 10 September 2015

From: Chief Executive

Report: CT1509047

Reserves Policy

1. Introduction

1.1 The purpose of this report is to update Trustees on the work being undertaken to revise the Trusts reserves policy.

2. Background

- 2.1 As part of their grant conditions organisations funded under the revenue grant scheme and planned maintenance programme must abide by the Trusts reserves policy.
- 2.2 This policy sets out the level of reserves the organisation can retain before grant monies must be repaid to the Trust.
- 2.3 At the moment organisations in receipt of grants under £500,000 can retain a reserve of 1/12th of their income whilst those with larger grants can retain a maximum of £50,000.
- 2.4 Organisation can ask the Trust for permission to retain funds if they have a specific plan for the funds.

3. Present Position

- 3.1 The current policy is no longer fit for purpose and a number of issues have been identified by the Trust and funded organisations.
- 3.2 In order to solve these issues and have a policy suited to the new funding environment the Trust has begun the process of developing a new policy.
- 3.3 Once a draft policy has been formulated the third sector will be approached for comments to ensure it is reasonable for all.
- 3.4 It is hoped that the new policy will be finalised by October and brought to the Trust meeting in November for approval.

4. Financial Implications

- 4.1 There are no financial implications arising from this report.



5. Recommendations

5.1 Trustees are asked to note the contents of this report.

Reference: KE/TA36
Date: 13 August 2015

Report Number CT1509047

REPORT

To: Shetland Charitable Trust

Date: 10 September 2015

From: Chief Executive

Report: CT1509048

Management Accounts – Three Months Ended 30 June 2015

1 Introduction

- 1.1 The purpose of this report is to present the Trust's Management Accounts to the end of June 2015, 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 2015/16 and the results in the three months to 30 June 2015.

Table 1: Summary Management Accounts 2015/16

Item	Current Budget £m	Spend to June 2015 £m
Income	8.1	1.1
Disbursements	(8.7)	(3.8)
Management and administration	(0.7)	(0.1)
Fund Managers Fees	(0.4)	(0.1)
Loss on Investments	-	(7.0)
Total	(1.7)	(9.9)

- 2.2 A more detailed analysis of the figures above is set out in Appendix 1.
- 2.3 There are currently no items within income, disbursements, management and administration or fund manager's fees which are out with what we would expect at this point in the year.



2.4 In the first three months of the year due to uncertainties in the market the Trust made a loss on its investments of £7,036,539.

3 Financial Implications

3.1 No direct financial implications flow from this information report.

4 Recommendations

4.1 Trustees are asked to note the satisfactory financial performance to 30 June 2015, as shown in the Management Accounts in Appendix 1.

Reference: KE/DA5
Date: 26 August 2015

Report No: CT1509048



Shetland **Charitable Trust**

Management Accounts

3 Months Ended 30 June 2015

Shetland Charitable Trust
Income and Expenditure
Period to 30 June 2015

	<u>3 Month</u> Actual £	<u>Annual</u> Budget £	<u>Variance</u> £
<u>Income</u>			
Managed fund dividends	927,830	5,066,000	(4,138,170)
Agricultural loan interest	1,506	9,996	(8,490)
Local equity gift aid	-	2,084,794	(2,084,794)
Rental income	210,507	1,020,500	(809,993)
Bank interest	1,147	-	1,147
Miscellaneous income	-	-	-
	<u>1,140,990</u>	<u>8,181,290</u>	<u>(7,040,300)</u>
<u>Expenditure</u>			
Agricultural loan expenditure	(268)	-	(268)
Disbursements	(3,774,072)	(8,790,552)	5,016,480
Management and administration	(92,245)	(652,130)	559,885
Fund managers	(121,463)	(412,324)	290,861
	<u>(3,988,048)</u>	<u>(9,855,006)</u>	<u>5,866,958</u>
Gain on investments	(7,036,539)	-	(7,036,539)
Surplus/(Deficit)	<u>(9,883,597)</u>	<u>(1,673,716)</u>	<u>(8,209,881)</u>

Shetland Charitable Trust
Balance Sheet
Period to 30 June 2015

	Jun-15	
	£	£
Tangible fixed assets		5,982,811
Investments		<u>223,014,264</u>
		228,997,075
Trade debtors	2,261	
Prepayments and Accrued income	2,859,954	
Other debtors	178,723	
Bank	<u>1,174,381</u>	
	4,215,319	
Trade creditors	62,514	
Accruals and deferred income	793,738	
Amounts owed to subsidiary	236,212	
Other creditors	<u>17,226</u>	
	1,109,690	
Net current assets		<u>3,105,629</u>
		232,102,704
Pension liability		(1,625,000)
		<u>230,477,704</u>
Opening reserves		240,361,301
Surplus for period		<u>(9,883,597)</u>
Closing reserves		<u>230,477,704</u>

Shetland Charitable Trust
Rental Income
Period to 30 June 2015

	<u>3 Month Actual £</u>	<u>Annual Budget £</u>	<u>Variance £</u>
Sullom Voe Site	210,507	1,000,000	(789,493)
District heating	-	20,000	(20,000)
Shetland Golf Course	-	500	(500)
	<u>210,507</u>	<u>1,020,500</u>	<u>(809,993)</u>

Shetland Charitable Trust
Disbursements
Period to 30 June 2015

	<u>3 Month</u> Actual £	<u>Annual</u> Budget £	<u>Variance</u> £
Shetland Amenity Trust	526,364	1,052,728	(526,364)
Shetland Arts Development Agency	348,019	696,038	(348,019)
Shetland Recreational Trust	1,259,000	2,518,000	(1,259,000)
<u>Other Charitable Organisations</u>			
Disability Shetland Recreation Club	12,641	12,641	-
The Swan Trust	22,325	44,650	(22,325)
Shetland Churches Council Trust	27,002	54,004	(27,002)
Shetland Befriending Scheme	27,209	54,418	(27,209)
Citizens Advice Bureau	66,133	132,265	(66,133)
COPE Limited	77,484	154,967	(77,483)
Shetland Link Up	23,997	47,994	(23,997)
Voluntary Action Shetland	63,231	126,461	(63,230)
Festival Grants	30,000	30,000	-
Local Charitable Organisations	11,552	14,000	(2,448)
Royal Voluntary Service	23,493	46,985	(23,492)
Sub Total Charitable Organisations	<u>2,518,450</u>	<u>4,985,151</u>	<u>(2,466,701)</u>
<u>Schemes</u>			
Community Support Grants	1,100	54,241	(53,141)
Arts Grant Scheme	15,440	35,000	(19,560)
Senior Citizens Clubs	7,265	15,000	(7,735)
Support to Rural Care Model	601,875	2,407,500	(1,805,625)
Buses for Elderly and Disabled	8,330	49,980	(41,650)
Sub Total Schemes	<u>634,010</u>	<u>2,561,721</u>	<u>(1,927,711)</u>
<u>Direct Schemes</u>			
Planned Maintenance	621,840	1,243,680	(621,840)
Sub Total Direct Schemes	<u>621,840</u>	<u>1,243,680</u>	<u>(621,840)</u>
Surplus Grants Refunded	(228)	-	(228)
Total	<u>3,774,072</u>	<u>8,790,552</u>	<u>(5,016,480)</u>

* These budgets have been modified by subsequent decisions of the Trust

Shetland Charitable Trust
Management and Administration Expenditure
Period to 30 June 2015

	3 Month Actual £	Annual Budget £	Variance £
Basic Pay and Allowances	58,607	290,000	(231,393)
Professional Membership Fees	164	1,700	(1,536)
Staff recruitment	-	5,000	(5,000)
Travel and Subsistence	939	6,000	(5,061)
Training and Staff Development	88	3,010	(2,922)
Sub Total Staffing Costs	59,798	305,710	(245,912)
Operating Costs			
Insurance	10,493	11,000	(507)
Administration	608	5,900	(5,292)
Supplies and Services	1,368	7,000	(5,632)
Bank Charges	80	500	(420)
Professional Fees: Other	234	20,000	(19,766)
External Audit Fees	-	25,000	(25,000)
Financial advice - internal investments	-	50,000	(50,000)
Trustees Expenses	830	4,000	(3,170)
Meeting expenses	312	2,700	(2,388)
Legal Fees	9,946	50,000	(40,054)
Trustee Recruitment Costs	30	3,000	(2,970)
Sub Total Operating Costs	23,901	179,100	(155,199)
Property Costs			
Energy Costs	1,039	6,000	(4,961)
Water Rates	301	2,000	(1,699)
Maintenance - Garrison Theatre	-	30,000	(30,000)
Maintenance - 22-24 North Road	144	12,660	(12,516)
Cleaning	291	2,500	(2,209)
Sub Total Property Costs	1,775	53,160	(51,385)
Bad debt write off	-	-	-
Bought In Services			
Treasury	-	33,000	(33,000)
Payroll	-	2,860	(2,860)
Pension	-	3,000	(3,000)
Building Maintenance	-	49,000	(49,000)
Committee Services	-	12,000	(12,000)
Computer Services	4,080	7,000	(2,920)
HR Service	531	4,000	(3,469)
Messenger Service	-	1,000	(1,000)
Insurance Admin	2,160	2,300	(140)
Sub Total Bought In Services	6,771	114,160	(107,389)
Total	92,245	652,130	(559,885)

Shetland Charitable Trust
Investment expenses
Period to 30 June 2015

	<u>3 Month</u> Actual £	<u>Annual</u> Budget £	<u>Variance</u> £
Managed fund misc	17,943	-	17,943
Fund managers fees	-	30,000	(30,000)
Black Rock fees	33,000	128,000	(95,000)
WM Company fees	3,420	12,324	(8,904)
Northern trust fees	10,000	40,000	(30,000)
Insight investment fees	38,100	138,000	(99,900)
Schroders fees	19,000	64,000	(45,000)
	<u>121,463</u>	<u>412,324</u>	<u>(290,861)</u>

REPORT

To: Shetland Charitable Trust

10 September 2015

From: Chief Executive

Report: CT1509049

FUND MANAGER TRANSACTIONS

1. Introduction

1.1 Shetland Islands Council provides Treasury support to Shetland Charitable Trust under the terms of a Service Level Agreement (SLA).

2. Investment Decisions

2.1 Appendix A lists the investment decisions made by Insight Investment Management Limited between 1st April and 30th June 2015.

2.2 Appendix B lists the investment decisions made by BlackRock between 1st April and 30th June 2015.

2.3 Appendix C lists the investment decisions made by Schroder Investment Management Limited between 1st April and 30th June 2015.

2.4 These appendices list purchases in order of transaction size and sales in order of the size of the gain or loss made on the transaction.

2.5 The Fund Managers make investment decisions based on the terms of Investment Management Agreements.

3. Movement on Charitable Trust Funds

3.1 The following two tables show the movement on the Charitable Trust funds up to the end of the 2014/15 financial year and also for the current financial year, 2015/16, up to 31st July 2015:

2014/15	£ million	2015/16	£ million
Mkt Value at 1 Apr 2014	188.9	Mkt Value at 1 Apr 2015	207.0
Market Movement	24.8	Market Movement	(3.4)
Injection/(Withdrawal)	(6.7)	Injection/(Withdrawal)	(0.9)
Mkt Value at 31 Mar 2015	<u>207.0</u>	Mkt Value at 31 Jul 2015	<u>202.7</u>

(These are unaudited figures and are for information only.)

4. Recommendation

4.1 The Trustees are asked to note this report.

APPENDIX A)

INSIGHT INVESTMENT MGMT REPORT - PURCHASES

NAME OF SECURITY	DATE	NUMBER OF SHARES	PURCHASE PRICE (£)
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UNITED KINGDOM

ILF GBP LIQUIDITY FD	01/04/2015	9,005,000.00	9,005,000.00
ILF GBP LIQUIDITY FD	13/04/2015	1,065,000.00	1,065,000.00
ILF GBP LIQUIDITY FD	16/04/2015	395,000.00	395,000.00
INSIGHT INV DISCRE UK CRP ALL MAT BD GROSS S	15/04/2015	0.00	394,295.16
ILF GBP LIQUIDITY FD	10/06/2015	105,000.00	105,000.00
ILF GBP LIQUIDITY FD	08/06/2015	90,000.00	90,000.00
ILF GBP LIQUIDITY FD	01/04/2015	1,665.42	1,665.49
ILF GBP LIQUIDITY FD	01/05/2015	1,402.21	1,402.16
ILF GBP LIQUIDITY FD	01/06/2015	501.07	501.07

TOTAL UNITED KINGDOM

11,057,863.88

OVERSEAS

NO OVERSEAS INVESTMENTS PURCHASED

TOTAL OVERSEAS

0.00

INSIGHT INVESTMENT MGMT REPORT - SALES

NAME OF SECURITY	DATE	NUMBER OF SHARES	SELLING PRICE (£)	PROFIT/ (LOSS) (£)
------------------	------	---------------------	----------------------	-----------------------

UNITED KINGDOM

UNITED KINGDOM (GOVT OF) 3.5% GILT 22/07/68 GBP0.01	10/04/2015	769,000.00	1,059,582.03	226,985.47
ILF GBP LIQUIDITY FD	07/04/2015	12,755,000.00	12,755,000.00	0.00
ILF GBP LIQUIDITY FD	15/04/2015	395,000.00	395,000.00	0.00

TOTAL UNITED KINGDOM

14,209,582.03 226,985.47

OVERSEAS

NO OVERSEAS INVESTMENTS SOLD

BLACKROCK REPORT - PURCHASES

NAME OF SECURITY	DATE	NUMBER OF SHARES	PURCHASE PRICE (£)
------------------	------	---------------------	-----------------------

UNITED KINGDOM

NO UK INVESTMENTS PURCHASED

TOTAL UNITED KINGDOM			<u>0.00</u>
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OVERSEAS

NO OVERSEAS INVESTMENTS PURCHASED

TOTAL OVERSEAS			<u>0.00</u>
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BLACKROCK REPORT - SALES

NAME OF SECURITY	DATE	NUMBER OF SHARES	SELLING PRICE (£)	PROFIT/ (LOSS) (£)
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UNITED KINGDOM

BLACKROCK ADVS(UK) CHARITRAK UK EQTY IDXX INC	26/06/2015	290,881.61	299,898.94	8,960.10
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TOTAL UNITED KINGDOM			<u>299,898.94</u>	<u>8,960.10</u>
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OVERSEAS

NO OVERSEAS INVESTMENTS SOLD

TOTAL OVERSEAS			<u>0.00</u>	<u>0.00</u>
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SCHRODERS REPORT - PURCHASES

NAME OF SECURITY	DATE	NUMBER OF SHARES	PURCHASE PRICE (£)
UNITED KINGDOM			
REAL INCOME FD	15/06/2015	241.08	310,406.96
MULTI-LET INDL PROPERTY UNIT TRUST	23/04/2015	50.55	50,551.30
MULTI-LET INDL PROPERTY UNIT TRUST	26/06/2015	50.20	50,199.00
TOTAL UNITED KINGDOM			<u>411,157.26</u>

OVERSEAS

NO OVERSEAS INVESTMENTS PURCHASED

TOTAL OVERSEAS			<u>0.00</u>
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SCHRODERS REPORT - SALES

NAME OF SECURITY	DATE	NUMBER OF SHARES	SELLING PRICE (£)	PROFIT/ (LOSS) (£)
UNITED KINGDOM				
STANDARD LIFE UK SHOPPING CENTRE	29/06/2015	421.76	440,313.22	146,406.39
STANDARD LIFE UK SHOPPING CENTRE	25/06/2015	110.99	115,872.45	38,528.18
TOTAL UNITED KINGDOM			<u>556,185.67</u>	<u>184,934.57</u>

OVERSEAS

NO OVERSEAS INVESTMENTS SOLD

TOTAL OVERSEAS			<u>0.00</u>	<u>0.00</u>
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REPORT

To: Shetland Charitable Trust

Date: 10 September 2015

From: Chief Executive

Report No: CT1509050

RECOMMENDED DISBURSEMENTS – APPROVALS

1. Background

- 1.1 On 30 March 2000, Trustees approved a report which authorised the then Director of Education and Community Services to act on behalf of the Trust and approve applications for community support grants to organisations operating within Shetland. (Min. Ref. CT19/00)
- 1.2 On 8 February 2006, Trustees approved a report which authorised the then Head of Service – Community Development to act on behalf of the Trust and approve applications for community arts grants to organisations and individuals operating within Shetland. (Min. Ref. CT02/06)
- 1.3 It is a requirement that all approvals are reported to subsequent Trust Meetings.

2. Community Support Grants - £1,100

- 2.1 The following community support grants were approved by the Director of Development Services, in consultation with Shetland Arts, in the period 11 May 2015 to 27 August 2015: -

Name of Organisation	Grant Approved (£)
Whitedale Youth Club	1,100

3. Community Arts Grants - £10,328

- 3.1 The following community arts grants were approved by the Director of Development Services, in consultation with Shetland Arts, in the period 11 May 2015 to 27 August 2015: -

Name of Individual/Organisation	Grant Approved (£)
Mr James Sinclair	283
Thomas Fraser Memorial Committee	3,000
Mrs Valerie Wishart (obo Sophie Wishart)	351
Ms Jane Matthews (obo Martha Brown)	479
Mr David Marsh	980
Miss Lois Nicol	1,000
Miss Sarah Keay	785
Shetland Country Music Club	3,000
Shetland Needleworkers	450

4. Recommendation

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

Our Ref: MJ/DA1
Date: 27 August 2015

Report Number CT1509050

REPORT

To: Shetland Charitable Trust

Date: 10 September 2015

From: Chief Executive

Report: CT1509051

Capital Works Bridging Loan Scheme

1. Introduction

- 1.1 This report updates Trustees on the Capital Works Bridging Loan Scheme.

2. Background

- 2.1 On 18 March 2010, Trustees agreed to provide short term bridging finance to community organisations undertaking capital projects. The interest free loans are used to alleviate cash flow problems when waiting for funding from EU, Scottish Government, SRDP, LEADER, ERDF and/or lottery grants to come through. (Min. Ref. CT15/10)
- 2.2 Funding for capital projects is only released once work has been completed and invoices paid. This creates an almost insurmountable cashflow burden for most organisations.
- 2.3 A total of £1 million was set as the maximum available at any one time.

3. Present Position

- 3.1 Appendix A lists each bridging loan made to date. 26 organisations have received a bridging loan, 22 have fully repaid their loans and 1 has made a part repayment. In total £2,037,383 has been repaid. Some £186,413 remains due to be repaid by 4 organisations as they receive their grants.
- 3.2 Feedback on the scheme from organisations has been very positive.

4. Financial Implications

- 4.1 There are no new implications arising from this report. However, it should be noted that the provision of interest free loans means that the capital involved is not generating investment return.

5. Conclusion

5.1 26 capital projects undertaken by community groups throughout Shetland might not have taken place without the support of the Trust's Scheme.

6. Recommendation

6.1 Trustees are recommended to note this report.

Reference: MJ/D19
Date: 26 August 2015

Report Number: CT1509051

Capital Works Bridging Loan Scheme

CT1509051 – Appendix A

Project	Bridging Loan £	Repaid £	Due to SCT £	Notes
Burravoe Pier	25,650	25,650		
Ollaberry Hall	110,000	110,000		
Bressay Sports Park	114,537	114,537		
Scalloway Museum	345,000	345,000		
Fair Isle Hall	62,000	62,000		
Sandsayre Pier	170,000	170,000		
Sandness Hall	100,000	100,000		
Northmavine Club	26,640	26,640		
Hillswick Hall	100,000	100,000		
Fetlar Electric Minibus	35,600	35,600		
Mareel	276,505	276,505		
Sumburgh Lighthouse	120,000	120,000		
Aith Public Hall	9,900	9,900		
Collafirth Marina	58,320	58,320		
South Nesting Public Hall	88,442	88,442		
Aithsvoe Marina	68,202	68,202		
Germatwatt Centre	10,000	10,000		
Shetland Skatepark Association	62,179	62,179		
Hoswick Visitor Centre	46,000	46,000		
Scalloway Boating Club	49,022	0	49,022	Repayment should be made early September 2015.
Aithsvoe Marina- Loan 2	41,867	41,867		
Scalloway Museum- Loan 2	41,041	41,041		
Burravoe Public Hall	43,000	43,000		
Shetland Moving Image Archive	3,231	0	3,231	Extended delays with the project. Final repayment is expected to be made shortly.
Fetlar Developments Ltd - Loan 2	84,360	82,500	1,860	
Sumburgh Lighthouse – Loan 2	132,300	0	132,300	New loan issued August 2015
TOTAL	2,223,796	2,037,383	186,413	

