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Best year ever for trust investments

Shetland Charitable Trust experienced its best ever return on investments during the last financial year, new figures reveal.

Its annual report for the 2009/10 financial year shows the trust gained almost £50 million on its investments by fund managers, with returns of 40 per cent or more thanks to the massive upturn in the world's markets following a bad two years.

Equally impressive has been the £5 million that has been generated from the trust's £25 million investments in the local economy through its arms length organisations like SLAP and SHEAP.

To help matters further the trust has managed to reduce its annual expenditure to less than £11 million, in line with its target. This has been helped by around £2 million annual savings identified by the main organisations funded by the trust, with minimal impact on services.

Over the past seven years staffing levels have been reduced and administrations costs have fallen by one third from £900,000 to £600,000.

As a result the trust was worth £217.1 million as of March 2010, close to its target of £220 million.

The trust spends its money supporting 16 organisations including Shetland Recreational Trust (£2.8m), Shetland Amenity Trust (£1.1m) and Shetland Arts (£0.8m). It also funds 12 charitable schemes and maintains 17 buildings, including leisure and care centres throughout the isles.

Community groups ranging from youth clubs to music festivals and public halls have not been forgotten, receiving almost £90,000 towards running and project costs.

During 2009/10 the trust made a one off donation of £250,000 towards the appeal to raise funds to build a new CLAN House, which has supported many Shetlanders and their families as they undergo treatment for cancer in Aberdeen.

The trust has also invested £2.25 million towards bringing the Viking Energy wind farm to the planning stage.

Trust chairman Bill Manson said: "In investment terms this has been one of the best years in the history of Shetland Charitable Trust thanks largely to the recovery in the world's financial markets. We are especially pleased that our investments in the local economy have borne so much fruit.

"However we have to bear in mind that the markets can be volatile. The previous two years were very poor indeed and there is little certainty about future market trends.

"Further pressure on the trust's budgets could also result from the current cuts in public sector spending and as Shetland's population ages, which the forecasts predict, then the current 40 per cent of what we spend on the elderly is likely to grow as years go by."

ends

Chairman

cc: Vice Chairman of Shetland Charitable Trust

Notes for editors:

Shetland Charitable Trust is an independent organisation set up in 1976 to manage income from Sullom Voe oil terminal on behalf of the community.

Its funds are currently worth around £200m, with £170m invested on the world markets and £30m in the local economy.

Each year it distributes around £10m to local groups and projects, including Shetland Recreational Trust, Shetland Amenity Trust, Shetland Arts Development Agency, the rural care centres, and 17 voluntary groups.

It owns Shetland Leasing and Property Developments Ltd (SLAP), Shetland Heat Energy and Power Ltd (SHEAP) and 90% of Viking Energy Ltd.

SCT's policy is to pass on the oil funds to future generations by investing them in a self sustaining way.

More details about Shetland Charitable Trust can be found at www.shetlandcharitabletrust.co.uk