Shetland Charitable Trust

Chief Executive: Dr Ann Black

Registered Charity Number SC027025

22-24 North Road
Lerwick
Shetland
ZE1 0NQ

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

Our Ref: EF/TA48

Date: 11 November 2026

Dear Sir/Madam

You are invited to the following meeting:

Shetland Charitable Trust
22-24 North Road, Lerwick, ZE1 0NQ
Thursday 19 November 2026 at 11.00am

Apologies for absence should be notified to Edna Flaws on 01595 744994.

(Please note that an invitation will be sent separately to Trustees who require to attend via Zoom)

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 10 September 2026 *(enclosed)*.

For Decision

1. Budget 2027/28. *Report enclosed.*

2. Schedule of Meetings 2027. *Report enclosed.*

For Information

3. Investment Performance Update –Six Months to 30 September 2026. *Report enclosed.*

4. Management Accounts – Six Months to 30 September 2026. *Report enclosed.*

5. Capital Works Bridging Loan Scheme. *Report enclosed.*

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

For Decision

6. Shetland Heat Energy and Power Limited (SHEAP). *Report enclosed.*

7. Large Grant Scheme 2027/28 – Approval of Disbursements. *Report enclosed.*

8. Appointment of Trustees. *Report enclosed.*

9. Capital Grant Scheme. *Report enclosed.*

For Information

10. Update from Chairs of Advisory Committees.

11. Update from Subsidiary Companies.

Shetland Charitable Trust

Scottish Charity Number SC027025

REPORT

To: Shetland Charitable Trust Date: 19 November 2026

From: Chief Executive Report: CT2611030

Budget 2027/28

1. Introduction

1.1 The purpose of this report is to seek Trustee approval of the recommended budget for 2027/28.

2. Background

2.1 At the Trust meeting on 8 February 2024, Trustees approved a Strategy for the period 2025-2030 (CT2402005). The Strategy guides and directs the work of the Trust and was developed to build on the positive impact that Trust Funding has made.

2.2 At the Trust meeting on 12 September 2024, Trustees approved a Financial Plan 2025-2030 (CT2409026). The Financial Plan uses the average investment growth above inflation on the Trust's reserves to support annual expenditure.

2.3 On 12 September 2024, Trustees also approved a Disbursement Plan 2025-30 (CT2409027). The Disbursement Plan forecasts maximum disbursements of £10,515,000 be available for the year to 31 March 2028.

3. Present Position

3.1 A forecast income of £260,000 and an expenditure budget of £13,675,000 are proposed, ensuring that the forecast expenditure aligns with the Financial Plan for 2027/28. (CT2409026).

3.2 The table below provides a summary of the recommended budget for 2027/28 against the approved 2026/27 budget:

	2027/28 Proposed Budget £'000	2026/27 Approved Budget £'000
Income	260	360
Expenditure		
Disbursements (See 5 below)	(10,515)	(10,160)
Trust Administration	(982)	(1,122)
Investment Management	(2,178)	(1,828)
Total Expenditure	(13,675)	(13,110)
Recommended Budget	**(13,415)**	**(12,750)**

3.3 Full detail of the Trust's budgets are presented in Appendix A. In summary, the recommended budget shows a net expenditure of £13,415,000.

3.4 The budget does not take into account possible gains or losses on the value of the Trust investments over the year.

3.5 In addition to the recommended budget, funding commitments to the Capital Grant Scheme are anticipated during the period. These financial commitments are in addition to the recommended budget.

4 Income - £260,000

4.1 The budgeted income includes bank interest, estimated at £60,000, and rental payments on the land at Sullom Voe Oil Terminal, estimated at £200,000.

5 Disbursements - £10,515,000

5.1 Large Grant Scheme – £10,348,000

The recommended awards for the Main Grant Scheme for 2027/28 are set out in the "Large Grant Scheme 2026/27 - Approval of Disbursements" paper (CT2611036). Funding of up to **£10,348,000** is recommended. These have been considered and recommended by the General Purposes Advisory Committee (GPAC).

5.2 Small Grant Scheme and Innovation Grant Scheme - £167,000

On 12 September 2024 Trustees approved the Disbursement Plan 2025 – 2030 (CT2409027). This included both a Small Grant Scheme and an Innovation Grant Scheme for 2027/28. Funding of up to **£167,000** is recommended, with the funds split between the two schemes dependent on requirements of applications. The schemes developed seek to give a wider range of organisations the opportunity to deliver activities and outcomes that support the objectives of the Trust's Strategy 2025 – 2030.

6. Management and Administration – £982,000

6.1 Funding of **£982,000** is recommended. The 2027/28 budget is detailed in Appendix A.

7. Investment Management - £2,178,000

7.1 This is a best estimate of fees as it is not possible to predict the cost with certainty as it is linked to the value of investments.

8. Financial Implications

8.1 If approved, the budgeted income will be £260,000 with expenditure of £13,675,000 giving a projected recall from investments of £13,415,000 for the budget in the year to 31 March 2028.

8.2 This represents an increase of £665,000 in the budget for 2027/28 compared with 2026/27.

8.3 As detailed in 3.5, there are funding commitments to the Capital Grant Scheme that will be in addition to the recommended budget.

9. Recommendations

9.1 It is recommended that Trustees approve:

a) budgeted income of £260,000 as detailed in section 4;

b) budgeted disbursements of **up to** £10,515,000 as detailed in section 5;

c) budgeted management and administration expenses of £982,000 as stated in section 6;

d) budgeted investment management expenses of £2,178,000 as stated in section 7;

Reference: DA5 & D32 Report Number: CT2611030

Shetland Charitable Trust **CT2611030**
Recommended Budget **Appendix A**
FY27/28

	FY27/28 Budget £	FY26/27 Budget £
Income and Expenditure		
Local Equity Gift Aid	0	50,000
Rental income	200,000	250,000
Bank Interest	60,000	60,000
Miscellaneous income	0	0
Total Income	**260,000**	**360,000**
Large Grant Scheme	-10,348,000	-10,037,000
Small & Innovation Grant Schemes	-167,000	-123,000
Total Disbursements	**-10,515,000**	**-10,160,000**
Total Staffing Costs	-438,000	-427,000
Property Costs	-150,000	-210,000
Insurance	-18,000	-18,000
Administration	-9,500	-9,000
Supplies and services	-7,500	-7,500
Legal fees	-80,000	-150,000
Professional fees	-60,000	-100,000
Financial Advice	-60,000	-50,000
External audit fees	-30,000	-28,000
Trustees expenses	-1,000	-1,000
Meeting expenses	-2,100	-2,100
Trustee recruitment	-1,500	-1,500
Bank charges	-400	-400
Bought in services	-124,000	-119,000
Total management and admin	**-982,000**	**-1,122,000**
Fund managers fees	-2,178,000	-1,828,000
Total investment costs	**-2,178,000**	**-1,828,000**
Total Expenditure	**-13,675,000**	**-13,110,000**
Recall from Investments	**-13,415,000**	**-12,750,000**

Shetland Charitable Trust

Scottish Charity Number SC027025

REPORT

To: Shetland Charitable Trust Date: 19 November 2026

From: Chief Executive Report: CT2611031

Schedule of Meetings 2027

1. Introduction

1.1 The purpose of this report is ask Trustees to accept the recommendation of the Audit & Governance Advisory Committee (AGAC) and approve the schedule of meetings for 2027.

2. Present Position

2.1 During 2026, there were four scheduled Trust meetings. It is proposed to hold four Trust Meetings during 2027. Special Meetings will be called if and when required.

3. Proposed Schedule

3.1 For 2027, the following meeting dates are proposed and have been reviewed and recommended by the AGAC:

Thursday 18 February 2027
Thursday 03 June 2027
Thursday 09 September 2027 + AGM
Thursday 18 November 2027

3.2 Trustees have also agreed protocols for the conduct of remote and hybrid meetings, and it is recommended that this is continued for 2027. The time of each meeting will be agreed in advance.

3.3 Everyone in remote attendance will be asked to confirm that there are no other persons present who are able to hear or record the proceedings during the confidential part of the meeting.

4 Recommendations

4.1 The AGAC recommend that Trustees adopt the diary of meetings set out at 3.1 above for 2027.

Ref: TA48 Report Number CT2611031

Shetland Charitable Trust

Scottish Charity Number SC027025

REPORT

To: Shetland Charitable Trust Date: 19 November 2026

From: Chief Executive Report: CT2611032

Investment Performance Update – Six Months to 30th September 2026

1. Introduction

1.1 The Trust's external investments are managed on its behalf by fund managers. The purpose of this report is to review investment performance for the six months to 30 September 2026.

2. Market Performance

2.1 Global equity markets rose over the six months, with a strong recovery during April–June followed by more modest gains during July–September. Resilient corporate earnings and continued investment in artificial intelligence supported returns.

2.2 Performance varied across regions and sectors. Asian technology stocks were particularly strong in the first quarter of the reporting period, while US equities supported subsequent gains. UK equities also advanced during July–September, while European markets weakened.

2.3 Energy prices remained volatile as tensions in the Middle East eased and subsequently escalated. Renewed inflation concerns and rising interest-rate expectations pushed government bond yields higher towards September, reducing bond prices.

3. Overall External Fund Performance

3.1 This report concentrates on the six months from April 2026 to September 2026. However, as the Trust is a long term investor, the report also considers the performance over one, three and five years.

3.2 The Trust has five fund managers with total investments under management at the end of September 2026 of £468.6 million. The funds, type of mandate and market values at the end of September 2026 are as follows:

Manager	Mandate	Market Value Sept 2026 (£m)	% of Reserves
Baillie Gifford	Active Equities	154.9	33.1
BlackRock	Passive Equities	126.8	27.0
Schroders	UK Property	40.3	8.6
Partners	Private Credit	77.0	16.4
JP Morgan	Infrastructure Equity	69.6	14.9
Total		**468.6**	**100.0**

3.3 The return on the Trust's external investments over the six month period was 8.4%.

3.4 The Trust's Financial Plan 2025-30 assumes a medium term return of 7.5% per annum. This is the return the Trust seeks over the medium term to meet its planned expenditure and to preserve the value of reserves in real terms.

3.5 The Trust also agrees a benchmark return for each fund manager to assess their performance against. Detailed below are the overall returns achieved against the combined benchmark:

Annualised Performance over	Actual Return %	Benchmark Return %	Over / (Under) Performance %
6 Months	8.4	12.0	(3.6)
1 Year	(3.4)	16.6	(20.0)
3 Years	10.0	14.9	(4.9)
5 Years	1.8	10.0	(8.2)

3.6 The Trust's external investments have underperformed against the composite benchmark over both the short and longer term. However, returns have exceeded the 7.5% annual target over three years, although they have fallen short over five years.

4. Fund Manager Performance Baillie Gifford

4.1 Baillie Gifford has an active equity mandate which invests in around 30-50 shares throughout the world. The benchmark for Baillie Gifford is the MSCI All Country World Index.

4.2 Detailed below is Baillie Gifford's performance for the last six months, one year, three years and five years.

Annualised Performance over	Actual Return %	Benchmark Return %	Over/(Under) Performance %
6 Months	11.0	15.9	(4.9)
1 Year	(14.0)	18.3	(32.3)
3 Years	13.4	18.3	(4.9)
5 Years	(0.4)	11.9	(12.3)

4.3 Baillie Gifford returned 11.0% over the six months to 30 September 2026, compared to the broad market return of 15.9%, which was 4.9% below the benchmark return.

4.4 Over the three year period, Baillie Gifford have returned 45.8%, equivalent to a return of 13.4% per annum. Over the five year period Baillie Gifford have returned minus 1.9%, equivalent to a return of minus 0.4% per annum.

5. Fund Manager Performance BlackRock

5.1 The fund with BlackRock is invested passively in equities, and the product invested in is the MSCI World ND Index.

5.2 Previously, the funds were invested in the iShares MSCI World SRI UCITS ETF. Following investment advice, the holding was transitioned to an alternative BlackRock investment product, with the transaction completed in April 2026.

5.3 Detailed below is BlackRock's performance for the last six months, one year, three years and five years.

Annualised Performance over	Actual Return %	Benchmark Return %	Over / (Under) Performance %
6 Months	16.3	15.0	1.3
1 Year	15.5	22.4	(6.9)
3 Years	13.3	17.5	(4.2)
5 Years	8.2	11.7	(3.5)

5.4 The mandate with BlackRock over the six months to 30 September 2026 produced a return of 16.3%, which was 1.3% above the benchmark for the period.

5.5 Over the last three years, BlackRock have returned 45.5%, equivalent to a return of 13.3% per annum. Over the five year period BlackRock have returned 48.0%, equivalent to a return of 8.2% per annum.

6. Fund Manager Performance Schroders

6.1 Schroders invests in property via a fund of funds approach where they invest in various different property funds to spread investment risk. The Benchmark for Schroders is the IPD UK All Balanced Fund Index.

6.2 Detailed below is Schroders' performance for the last six months, one year, three years and five years.

Annualised Performance over	Actual Return %	Benchmark Return %	Over / (Under) Performance %
6 Months	(1.3)	0.9	(2.2)
1 Year	(1.2)	2.4	(3.6)
3 Years	0.8	3.6	(2.8)
5 Years	1.0	1.5	(0.5)

6.3 Over the six months to 30 September 2026 Schroders have returned minus 1.3%, which was 2.2% below the property benchmark.

6.4 The Trust issued Schroders with a redemption instruction on 15 August 2024 to terminate the investment management agreement. A redemption strategy is being progressed and this will impact on returns achieved by the Trust's investment.

6.5 Over the last three years, Schroders have returned 2.4%, equivalent to a return of 0.8% per annum. However, over the five year period Schroders have returned 5.2%, equivalent to a return of 1.0% per annum.

7. Fund Manager Performance Partners

7.1 The appointment of Partners Group as Fund Manager for the Trust's Private Credit mandate was completed in April 2025, and funds were transferred on 2 June 2025.

7.2 The benchmark return for Partners is defined as an annual return of SONIA (Sterling Overnight Index Average) plus 4.5%.

7.3 Detailed below is Partners performance for the six months and one year.

Annualised Performance over	Actual Return %	Benchmark Return %	Over / (Under) Performance %
6 Months	3.9	4.1	(0.2)
1 Year	6.9	8.4	(1.5)

7.4 The mandate with Partners over the six months to 30 September 2026 produced a return of 3.9%, which was 0.2% below the benchmark for the period.

8. Fund Manager Performance JP Morgan

8.1 The appointment of JP Morgan as Fund Manager for the Trust's Infrastructure Equity mandate was completed in April 2025, and funds were transferred on 1 April 2026.

8.2 Performance data for the period covered by this report is not available.

9. Financial Implications

9.1 The long-term investments and their performance are important to the Trust and the achievements of its outcomes and objectives.

9.2 The Trust undertook an External Investment Review during 2024, and the recommendations of this review were approved at the Trust meeting held on 12 September 2024 (CT2409024). A new Investment Plan 2025-2030 (CT2409025) was also approved on 12 September 2024 which agreed changes to the investment portfolio. These will be implemented during the Strategy period.

9.3 The Investment Plan for the Trust is overseen by the Investment Advisory Committee (IAC), who meet regularly and report to the Board of Trustees. It is recognised that the actual investment performance each year will be different to what is expected. The IAC monitor the medium to long term performance against the Trust's objectives.

10. Recommendations

10.1 Trustees are asked to note this report.

Reference: IA7 Report Number: CT2611032

Shetland Charitable Trust

Scottish Charity Number SC027025

REPORT

To: Shetland Charitable Trust **Date:** 19 November 2026

From: Chief Executive **Report:** CT2611033

Management Accounts – Six Months to 30 September 2026

1 Introduction

1.1 The purpose of this report is to present Shetland Charitable Trust's (the Trust) Management Accounts for the six months ended 30 September 2026, 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 Trust for 2026/27 and the results in the six months to 30 September 2026.

Table 1: Summary Management Accounts 2026/27

Item	Annual Budget £m	Actual to Sept 2026 £m
Income	2.4	2.6
Disbursements	(10.2)	(5.1)
Management and Administration	(1.1)	(0.4)
Fund Managers Fees	(1.8)	(1.2)
Gain/(Loss) on Investments	26.0	35.5
Total	**15.3**	**31.5**

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

2.3 In the six months ended 30 September 2026 the Trust made a gain on its investments of £35.5m.

3 Financial Implications

3.1 No direct financial implications flow from this information report.

4 Recommendations

4.1 Trustees are asked to note the Trust's financial position at the six months ended 30 September 2026 as shown in the Management Accounts in Appendix A.

Reference: DA5/1 Report No: CT2611033

Shetland Charitable Trust

Management Accounts

6 Months Ended 30 September 2026

Shetland Charitable Trust
Income and Expenditure
Period to 30 September 2026

	6 Month Actual £	6 Month Budget £		Variance £	Annual Budget £
Income					
Managed fund dividends	1,029,607	0		1,029,607	0
Managed fund interest	1,469,133	1,000,000	*	469,133	2,000,000
Local equity gift aid	0	25,000		-25,000	50,000
Rental income	130,216	125,000		5,216	250,000
Bank interest	21,376	30,000		-8,624	60,000
Miscellaneous income	0	0		0	0
	2,650,332	1,180,000		1,470,332	2,360,000
Expenditure					
Disbursements	-5,099,700	-5,147,250		47,550	-10,160,000
Management and administration	-368,721	-561,000		192,279	-1,122,000
Fund managers	-1,212,605	-914,000		-298,605	-1,828,000
	-6,681,026	-6,622,250		-58,776	-13,110,000
Gain on investments	35,530,549	13,019,175		22,511,374	26,038,350
Surplus/(Deficit)	**31,499,855**	**7,576,925**		**23,922,930**	**15,288,350**

* Managed Fund Interest is not cash funds received by the Trust. It represents income that the fund managers receive (mainly property rental), that for Accounting purposes the Trust is required to show as income. These funds are reinvested by the fund managers.

Shetland Charitable Trust
Balance Sheet
Period to 30 September 2026

	Sep-26	
	£	£
Tangible fixed assets		23,000
Investments		480,757,782
		480,780,782
Trade debtors	24	
Prepayments and Accrued income	622,598	
Other debtors	565,945	
Bank	6,778,307	
	7,966,874	
Trade creditors	39,387	
Accruals and Deferred income	3,288,036	
Other creditors	123	
	3,327,546	
Net current assets		4,639,328
		485,420,110
Pension liability		0
		485,420,110
Opening reserves		453,920,255
Surplus for period		31,499,855
Closing reserves		485,420,110
		-

Shetland Charitable Trust
Income
Period to 30 September 2026

	6 Month Actual £	6 Month Budget £	Variance £	Annual Budget £
Income				
Shetland Heat Energy and Power Ltd	-	25,000	-25,000	50,000
Rental Income				
Sullom Voe Site	129,716	124,750	4,966	249,500
Shetland Golf Course	500	250	250	500
Other Income				
Bank Interest	21,376	30,000	-8,624	60,000
Miscellenious		-	0	-
	151,592	180,000	-28,408	360,000

Shetland Charitable Trust
Disbursements
Period to 30 September 2026

	6 Month Actual £	6 Month Budget £	Variance £	Annual Budget £
Large Grant Scheme				
Ability Shetland - Core	60,000	60,000	-	120,000
Ability Shetland - Sports Development Worker	15,000	15,000	-	30,000
Alzheimer Scotland	25,000	25,000	-	25,000
Clan Cancer Support	15,500	15,500	-	31,000
COPE Limited	136,500	136,500	-	273,000
Dogs Against Drugs	22,500	22,500	-	22,500
Gaada	16,000	16,000	-	32,000
Mind Your Head	34,000	34,000	-	68,000
Moving On	20,500	20,500	-	41,000
OPEN Project	20,500	20,500	-	41,000
Relationship Scotland - Shetland Branch	11,000	11,000	-	11,000
Royal Voluntary Service	31,000	31,000	-	62,000
Scalloway Youth and Community Centre	15,000	15,000	-	15,000
Shetland Amenity Trust	669,500	669,500	-	1,339,000
Shetland Arts Development Agency	551,250	551,250	-	1,102,500
Shetland Befriending Scheme - 16+	18,500	18,500	-	18,500
Shetland Befriending Scheme - CYP	31,000	31,000	-	62,000
Shetland Bike Project	28,250	28,250	-	56,500
Shetland Care Attendants Schme - Core	38,750	38,750	-	77,500
Shetland Care Attendants Schme - Shetland Carers	25,750	25,750	-	51,500
Shetland Community Connections	25,000	25,000	-	25,000
Shetland Islands Citizen Advice Bureau	172,500	172,500	-	345,000
Shetland Islands Council Rural Care Model	910,000	910,000	-	1,820,000
Shetland Link Up	31,500	31,500	-	63,000
Shetland Recreational Trust	1,900,000	1,900,000	-	3,800,000
Shetland Women's Aid	72,000	72,000	-	144,000
The Compass Centre	26,000	26,000	-	52,000
The Swan Trust	16,000	16,000	-	32,000
UHI Shetland	17,500	17,500	-	17,500
Voluntary Action Shetland - Core	54,000	54,000	-	108,000
Voluntary Action Shetland - Market House	56,750	56,750	-	113,500
Who Cares? Scotland	-	19,000	19,000	38,000
Sub Total Main Grant Scheme	**5,066,750**	**5,085,750**	**19,000**	**10,037,000**
Small Grant Scheme	**49,130**	**30,750**	**-18,380**	**61,500**
Innovation Grant Scheme	**24,223**	**30,750**	**6,527**	**61,500**
Capital Grant Scheme	**-**	**-**	**-**	**-**
Surplus Grants Refunded	**-40,403**	-	**40,403**	-
Total	5,099,700	5,147,250	47,550	10,160,000

Shetland Charitable Trust
Management and Administration Expenditure
Period to 30 September 2026

	6 Month Actual £	6 Month Budget £	Variance £	Annual Budget £
Basic Pay and Allowances	179,168	207,500	28,332	415,000
Professional Membership Fees	-	250	250	500
Staff recruitment	-	750	750	1,500
Travel and Subsistence	119	2,500	2,381	5,000
Training and Staff Development	790	2,500	1,710	5,000
Sub Total Staffing Costs	180,076	213,500	33,424	427,000
Operating Costs				
Insurance	6,855	8,250	1,395	16,500
Administration	1,636	4,500	2,864	9,000
Supplies and Services	1,793	3,750	1,957	7,500
Bank Charges	92	200	108	400
Professional Fees	38,719	50,000	11,281	100,000
External Audit Fees	14,060	14,000	-60	28,000
Financial advice	-	25,000	25,000	50,000
Trustees Expenses	-	500	500	1,000
Meeting expenses	718	1,050	332	2,100
Legal Fees	7,082	75,000	67,918	150,000
Trustee Recruitment Costs	288	750	462	1,500
Sub Total Operating Costs	71,244	183,000	111,756	366,000
Property Costs				
Energy Costs	3,169	2,450	-719	4,900
Water Rates	859	950	91	1,900
Building Maintenance	59,230	100,550	41,320	201,100
Cleaning	547	1,050	503	2,100
Sub Total Property Costs	63,805	105,000	41,195	210,000
Bad debt write off	-	-	-	-
Bought In Services				
Treasury	15,345	15,345	0	30,690
Payroll	450	450	0	900
Building Maintenance	26,000	26,000	0	52,000
Committee Services	3,875	3,875	0	7,750
ICT Services	3,936	5,250	1,315	10,500
Peninsula	1,191	1,210	19	2,420
Public Relations	2,800	7,370	4,570	14,740
Sub Total Bought In Services	53,596	59,500	5,904	119,000
Total	368,721	561,000	192,279	1,122,000

Shetland Charitable Trust
Investment expenses
Period to 30 September 2026

	6 Month Actual £	6 Month Budget £		Variance £	Annual Budget £
Management Expenses	-	-	*	0	-
Northern Trust fees	34,629	25,000		-9,629	50,000
Partners fees	462,038	152,550		-309,488	305,100
BlackRock fees	95,643	118,100	*	22,457	236,200
Schroders fees	50,602	108,800		58,198	217,600
Baillie Gifford fees	370,753	509,550		138,797	1,019,100
JP Morgan fees	198,939			-198,939	
	1,212,605	914,000		-298,605	1,828,000

* Managment Expenses, BlackRock and Partners Group Management Fees are not invoiced. It represents expenditure that the fund managers deduct, that for Accounting purposes the Trust is required to show as expenditure.

Shetland Charitable Trust

Scottish Charity Number SC027025

REPORT

To: Shetland Charitable Trust Date: 19 November 2026

From: Chief Executive Report: CT261134

Capital Works Bridging Loan Scheme

1. Introduction

1.1 The purpose of this report is to provide Trustees with an update of 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 secured grant funding is paid in arrears. (Min. Ref. CT15/10)

2.2 Funding for capital projects is often only released once work has been completed and invoices paid. This can create cash flow burdens for some organisations.

2.3 A total of £1 million was set as the maximum available at any one time.

2.4 At the Trust meeting on 27 February 2020 it was noted that in future, only the projects relating to the current financial year would be reported on rather than including all the historical information.

2.5 At the Trust Meeting on 25 November 2021, Trustees agreed to increase the maximum loan capital available at any one time under the Scheme to £1.5 million (CT2111026).

3. Present Position

3.1 As at 1 April 2026, there were nine loans outstanding.

3.2 In the period 1 April 2026 to 30 September 2026, one new loan was awarded.

3.3 In the period 1 April 2026 to 30 September 2026, three organisations fully repaid their loan.

3.4 Some organisations are experiencing delays as a result of difficulty in securing contractors and materials. The Trust is in contact with all organisations to receive updates on repayments.

4. Financial Implications

4.1 There are no new financial 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 returns.

4.2 As at 30 September 2026, Capital Works Bridging Loans totalling £565,944 are outstanding.

5. Conclusion

5.1 Six loans brought forward at 1 April 2026 remain active and one loan awarded in the current year is active.

6. Recommendation

6.1 Trustees are asked to note this report.

Reference: D19 Report Number: CT2611034