



# **SHETLAND AMENITY TRUST**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2018**

Scottish Charity Number: SC017505

**SHETLAND AMENITY TRUST**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

<b>CONTENTS</b>	<b>PAGE</b>
Trustees' Report	i
Independent Auditors' Report to the Trustees	xiii
Consolidated Statement of Financial Activities	1
Statement of Financial Activities	2
Consolidated Balance Sheet	3
Balance Sheet	4
Consolidated Statement of Cash Flows	5
Notes to the Financial Statements	6

## **SHETLAND AMENITY TRUST**

### **TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018**

The Trustees present their report along with the financial statements of the Trust for the year ended 31 March 2018.

#### **OBJECTIVES AND ACTIVITIES**

##### **Trust Objectives**

The Objectives of the Trust as set out in the founding Trust Deed are as follows:

- a) The protection, improvement and enhancement of buildings and artefacts of architectural, historical, educational or other interest in Shetland with a view to securing public access to such buildings and the permanent display for the benefit of the public of such artefacts for the purposes of research, study or recreation.
- b) The provision, development and improvement of facilities for the enjoyment by the public of the Shetland countryside and its flora and fauna, the conservation and enhancement for the benefit of the public of its natural beauty and amenity and the securing of public access to the Shetland countryside for the purposes of research, study and recreation.
- c) Such other purpose or purposes charitable in law as the Trustees shall from time to time determine.

##### **Trust Activities**

The activities of the Trust are guided by its Strategic Plan which outlines the strategic objectives in the following key areas:

1. Shetland Museum & Archives
  - Tell Shetland's cultural and natural heritage story.
  - Deliver a high quality Shetland Museum and Archives service for the benefit of the public, in line with the Service Level Agreement between the Trust and Shetland Islands Council.
  - Safeguard, conserve, display, interpret and facilitate public access to the Shetland Museum and Archive's collections and Shetland's cultural and natural heritage as a whole.
  - Encourage and promote a sense of community ownership in the Shetland Museum and Archives and Shetland's cultural and natural heritage.
  - Promote the Museum and Archives service and Shetland's cultural and natural heritage to a wider audience.
  - Forge links with local museums and history groups.
2. Interpretation
  - Co-ordinate, facilitate and promote the structured and brand aligned provision of quality interpretive materials and facilities relating to Shetland's Heritage and Culture.
  - Develop the concept of a professional Heritage Hub network of interpretive provision.
3. Promote Shetland
  - Galvanise public authority, NGO, private and educational stakeholders around a common vision to deliver and market quality Shetland products and services.
  - Inspire the wider community to support and play its part in helping to deliver the common vision.
  - Encourage and support the development and delivery of consistently high quality Shetland products, services and experiences.
  - Keep in touch with and better understand our existing and potential customers.
  - Develop and deliver innovative destination-marketing initiatives that enhance the recognition and reputation of Shetland's name and give priority to tourism, agriculture and technology sectors over the next 3 years.
  - Identify and work with passionate people to champion Shetland and act as ambassadors to encourage trade, talent, inward investment and tourism.
  - Position and promote Shetland as the geographical, cultural and technological hub between the UK and Scandinavia with a view to encouraging cross-border initiatives which are mutually beneficial for the North Atlantic community.

## **SHETLAND AMENITY TRUST**

### **TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018**

#### **Trust Activities (*continued*)**

3. Promote Shetland (continued)

- Focus and optimise resources to ensure effective co-ordination and judicious targeting of priorities and to avoid duplication of effort.

Please note that the Promote Shetland contract came to an end during the year, as discussed further in Achievements and Performance.

4. Natural Heritage

- Maintain the Shetland Biological Records Centre to collect, collate, manage and disseminate information about Shetland's flora, fauna, habitats and geology.
- Raise awareness of, and help safeguard, Shetland's biodiversity and geodiversity.
- Provide, develop and improve facilities, access and resources for the enjoyment by the public of the Shetland countryside and its flora and fauna.
- Develop an interpretive centre at Sumburgh Head, focussing on the natural heritage of the area.
- Maintain Geopark Shetland as part of the European and Global Geopark Networks backed by UNESCO and promote Shetland's rich and varied geology.

5. Archaeology

- Curate Shetland's archaeology for the benefit of the public.
- Develop Shetland's archaeology as a resource for educational purposes and for the enjoyment of the public.
- Attain UNESCO World Heritage Status for the Shetland Iron Age.
- Develop a world-class visitor centre at Old Scatness Broch.

6. Place Names

- Promote the collection, understanding and use of place names.
- Record place name evidence from oral and archive sources.
- Maintain and develop the Shetland Place Name Database.

7. Architectural Heritage

- Protect and restore Shetland's architectural heritage to both enhance visual amenity and conserve cultural heritage for the benefit of the public.
- Promote and support the use of traditional building methods and materials.

8. Environmental Improvement

- Enhance the visual amenity and public enjoyment of the countryside.
- Encourage environmental awareness.
- Encourage and develop waste minimisation, re-use, anti-litter and recycling strategies.
- Expand and develop the Trust's glass recycling initiative, Enviroglass.

9. Woodlands

- Preserve and develop existing woodland.
- Conserve, propagate and re-establish native trees and other plants.
- Create a Shetland Arboretum to foster interest in trees and participate in international conservation strategies.
- Encourage the use of trees, shrubs and other woodland flora in the Shetland landscape, so that they enhance the environment and are of positive value to people and wildlife, for both present and future generations.

#### **Grant Making Policy**

The Trustees award grants where there are architectural improvement or changes to property or land where funding will assist in ensuring that the Shetland Heritage can be maintained and improved. All grants awarded are in accordance with the objectives of the Trust Deed.

## **SHETLAND AMENITY TRUST**

### **TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018**

#### **Voluntary Help**

Certain Trust activities are dependent on the services of unpaid volunteers. These activities include our annual clear up exercise "Da Voar Redd Up" and various archaeological excavations. During the year we had over 4,000 unpaid volunteers, working in the region of 19,500 hours.

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Review of Activities 2017/18**

###### General

This has been an exceptionally challenging period, following the untimely death, in February 2017, of the Trust's former General Manager. This was a time of rapid change for the Trust. We made substantial changes in governance, including the development of a Scheme of Delegation and the introduction of new Standing Orders.

A new CEO was appointed as at 14<sup>th</sup> March, 2018.

Our staff continued to demonstrate commitment and dedication, their many skills brought stable results in all areas of the Trust's work.

Work continued with putting Shetland firmly on the Viking map with involvement in a range of Viking related projects. The Trust's Interim Admin Officer continued to act as Secretary of the Destination Viking Association. This is a multi-national organisation run on a voluntary basis which is open to museums, academic institutions, commercial enterprises and non-profit organisations who, based on pedagogic principles, present the historic and cultural heritage of the Viking Age. Since June 2012, the Association has been the manager of the Council of Europe's Viking Cultural Route.

The Trust, acting as lead partner on behalf of 15 partners and 10 associate partners, was successful in securing 50% funding from the EU Creative Europe programme for the €3.92 million "Follow the Vikings" project. The project celebrates Viking heritage throughout Europe and has a particular emphasis on creativity and culture, including the creation of a website and an international touring event. Throughout the year, work continued on the production of the project outputs, as well as participation at a project seminar in Reykjavik, Iceland and planning for the next seminar to be held in the Lofoten Islands, Norway. Support was also given with 2 roadshows and 4 educational events held in Poland and Norway.

Funding was secured from Event Scotland for a Follow the Vikings Festival, held in Unst and Lerwick.

##### **1. Shetland Museum & Archives**

The building received just over 85,000 visitors during 2017/18 enjoying a range of activities linked to Shetland's heritage and culture. Shetland's population is approximately 22,000 and Shetland Museum and Archives continues to be the most popular attraction in Shetland. The building retained a 5-star rating from VisitScotland's Visitor Attraction Assurance Scheme, placing it amongst the top attractions in Scotland.

- i) Museum Service - There continues to be high participation in both the formal education and informal learning programmes. A wide range of events were held within the facility all using the Collections for inspiration.
- ii) Archives Service - The Archives catalogue holds over 100,000 entries. The cataloguing software was changed during the year and work began to archive digital material.
- iii) Exhibitions - A number of shows were held in Da Gadderie, including exhibitions by local, national and international artists, as well as curated and touring shows. There was also regular changeover of exhibitions in the Focus Display areas. Planning is well underway for the exhibition of the 1520s A Lady with a Squirrel and a Starling, by Hans Holbein the Younger, being loaned by the National Gallery as part of their Masterpiece Tour 2018.

## SHETLAND AMENITY TRUST

### TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018

#### **ACHIEVEMENTS AND PERFORMANCE (*continued*)**

- iv) Acquisitions - The Shetland Museum & Archives receives large numbers of acquisitions each year, mostly from Shetlanders and expatriates.
- v) Community History - The Trust continued to support an extensive network of community history groups, local museums and the Shetland Heritage Association.
- vi) Marketing - Marketing has continued to highlight the varied spectrum of exhibitions and activities within the facility. Work has also been ongoing on developing and improving the variety of retail products linked to the museum and archives collections.

#### 2. Interpretation

Work continued implementing the Shetland Heritage and Culture brand, with a number of Trust projects successfully promoting it and discussions with community groups ongoing.

#### 3. Promote Shetland

Having undertaken this contract since 2009, the Trust tendered for the new contract and was unsuccessful in its bid. As a consequence, Promote Shetland activities were wound up during the first 6 months of the financial year and came to an end in September 2017.

#### 4. Natural Heritage

- i) SBRC Database - The total number of records now held on the database is just over 300,000. Several thousand records were verified and submitted for the new UK Moth Atlas and the Botanical Society of the British Isles (BSBI) nationwide atlas 2020.
- ii) Consultation - 96 data/information searches were undertaken for a variety of agencies, voluntary bodies, students, interested members of the public and commercial consultants and 325 planning applications were screened. When it was considered that there was the potential for damage to key biodiversity interests the appropriate information was passed to the relevant bodies.
- iii) Survey & Consultancy Work - The Centre undertook numerous surveys for consultants throughout the year, relating to a variety of development. This work is chargeable and funding raised is used to augment budgets and purchase equipment. We also monitored 10 Local Nature Conservation Sites for the local authority and undertook an Environmental Audit for Bigton Farm as part of the Scottish Monitor Farm project.
- iv) Geopark Shetland - Shetland was officially accepted as a member of the European Geoparks Network in September 2009 during the EGN conference and this was formally acknowledged at the Global Geoparks Conference in Malaysia in April 2011. Following an extremely thorough process to ensure the Geopark is maintaining the standards set by the Network; Geopark Shetland was revalidated in 2013 for another 4 years. Unfortunately, due to the ongoing reorganisation, the Trust received a "Yellow Card" during its revalidation in 2017 and work will continue over the next couple of years to ensure it is successful with its further revalidation in 2019.

Members of the Geopark Shetland Working Group attended European Geoparks Network meetings.

Working with partners in the North Atlantic, Geopark Shetland secured funding from the Northern Periphery & Arctic Programme for the 3-year "Drifting Apart" project. The 3 Scottish Geoparks are joint partners, with Shetland as the administrative lead. This project came to an end in April 2018.

- v) Ranger Service - The work of this service is driven through a Service Level Agreement with Shetland Islands Council. The Shetland Nature Festival, in partnership with European Geoparks Week, was organised by the Rangers, assisted by other Trust staff.

## SHETLAND AMENITY TRUST

### TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018

#### **ACHIEVEMENTS AND PERFORMANCE (*continued*)**

- vi) Peatland Restoration – Funding was secured to continue the employment of a part-time Peatland Officer. This has, and will continue to, allow awareness to be raised of blanket bog and its value and to identify suitable areas for blanket bog restoration.

#### 5. Archaeology

- i) Development Control - A key function of the Trust's Archaeology Section is to carry out the Archaeology-related Development Management function for Shetland Islands Council Planning Service, under a Service Level Agreement. Every planning application is monitored by the Section and, increasingly, assistance is being provided to developers and individuals who consult the Trust prior to the submission of their planning applications.
- ii) Old Scatness/World Heritage Status - Old Scatness, Jarlshof and Mousa are on the UK Tentative List for World Heritage Status. Linked, but not dependant on this, is the Trust's aspiration to conserve Old Scatness by providing the site with a roof and walkways and creating a controlled environment, thereby providing year-round visitor access, interpretation and visitor facilities. Work continues with a view to securing funding for this aspiration.

The site was open every Friday over the summer period to facilitate public access. Customised tours for booked groups were undertaken at other times, including for some cruise ship visitors.

- iii) Viking Unst - The replica longhouse at Brookpoint, Haroldswick was completed and the site was used for the Follow the Vikings festival.
- iv) Sites & Monuments Record - The Record contains more than 8,000 records of the known archaeological sites in Shetland and is consulted regularly by academics, contracting archaeologists and members of the public. A 2-year project to map 13,500 archaeological sites onto Historic Environment Scotland's Past Map database was completed.

#### 6. Place-Names

- i) Recording - The receipt of valuable information on place names from a variety of sources continued.
- ii) Outreach/School Links - Contact has been maintained with the community including talks to, and interaction with, local history groups.

Training was delivered to 25 prospective new tour guides to the importance and relevance of place-names for exploring and understanding the natural and cultural heritage of Shetland.

- iii) Database Development – Work is ongoing to bring the Shetland Place Names Database in line with other Trust databases and making it accessible online.
- iv) Links with Other Trust Projects - Place-Names and the Place-Names Project Officer continued to play an integral part in various Trust initiatives over the past year.

#### 7. Architectural Heritage

- i) Shetland Heritage Accommodation - The heritage accommodation offered at Bressay and Eshaness Lighthouses and the network of 9 Camping Böds continues to be extremely popular. Luxury self-catering accommodation at Sumburgh Lighthouse opened from May 2014 and the Occasional Keepers' accommodation is in great demand by 'artists in residence'. Additional artist-in-residence space is available at Bressay Lighthouse.
- ii) National Trust for Scotland (NTS) - The Trust has continued to support NTS to develop and assess the feasibility of its proposal for the future use and renovation of Hallgarth House and Gardens in Unst.

## SHETLAND AMENITY TRUST

### TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018

#### **ACHIEVEMENTS AND PERFORMANCE (*continued*)**

- iii) Lerwick Town Hall - Shetland Islands Council appointed the Trust to manage the project to repair the building's external stonework and stained glass windows. Grant funding was secured to allow these works to commence in October 2016 and they were completed in summer 2017.
- iv) Other Works - Various other construction works were undertaken throughout the year including refurbishments at Trust properties and third party work.
- v) Planned Maintenance - The Trust continued to carry out maintenance of its properties.

#### **8. Environmental Improvement**

- i) Da Voar Redd Up - The 30<sup>th</sup> annual spring clean saw over 4,500 volunteers from all parts of Shetland take part, making the event the highest supported community clean up throughout the UK, per head of population. Augean North Sea Services sponsored the event and sorted the rubbish, removing plastics, rope and fishing nets for recycling.
- ii) Environmental Improvements - Through the use of several initiatives (mini redd-ups, adopt a beach schemes, remote isles collections, fly-tip and dump closures and environmental improvement squads) the visual amenity and general environment of Shetland has been greatly enhanced.
- iii) Recycling Initiatives - Recycling within Shetland is very well supported by the local community and very large quantities of waste are diverted from landfill through the recycling of aluminium and steel cans, high quality building materials and glass.
- iv) Shetland Environmental Awards – 13 winners received awards for a range of environmental projects.
- vi) Dunna Chuck Bruck, Litter Prevention & Waste Minimisation - The Trust's overarching anti-litter campaign, Dunna Chuck Bruck, carried out a range of initiatives under this banner highlighting littering and what can be done about it. Work is undertaken with schools including providing advice, workshops, assemblies, class projects and a Dunna Chuck Bruck challenge for schools and youth groups.

A partnership exhibition and event #CleanBeachesScotland was held in the Scottish Parliament in Edinburgh.

#### **9. Woodlands**

- i) Planting & Landscaping Projects – Maintenance works were undertaken at a number of mature woodlands and gardens including Kergord, Sullom and the Loch of Voe.
- ii) New Anderson High School – The Trust's Woodland Team undertook landscaping at the site of the new Anderson High School at Clickimin.
- iii) Conservation – The ongoing project to conserve the endemic and rare species of Hawkweed in Shetland continued with all species now under cultivation.
- iv) Peatland Restoration – Over the past few years, the team has developed unprecedented skills in a number of peatland restoration techniques. They have undertaken work at a number of sites throughout the year.

#### **10. Grant Aid**

The Trust awarded £54,715 to 9 projects in line with the Trust's objectives.



## **SHETLAND AMENITY TRUST**

### **TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018**

#### **Measurement of the Achievement of Aims and Strategies**

The Shetland Amenity Trust's Strategic Plan 2017-21 identifies 12 key strategic areas in which the Trust operates. These flow from the Trust's strategic objectives and ultimately reflect the Trust's objects.

Within each of these strategic areas, a set of objectives is included in the plan. A set of actions is proposed, calculated to achieve the objectives. Many of these actions are of a binary nature, in other words they are either achieved or they are not. For example, one of the Museum's objectives is to achieve Recognition status for the maritime collection; in Archaeology, a comparable action is the completion and publishing of the post-mediaeval volume on Old Scatness. A few actions refer to ongoing work, for example ensuring regular maintenance of property. Furthermore, some actions are dependent on public demand, so that the Trust's performance in, say, continuing to support local tree planting initiatives or in offering grant aid is not wholly within the Trust's control.

The Trust is reviewing the Strategic Plan in the light of changed financial circumstances and to focus these actions. As part of that process, it is likely that an annual business planning cycle will be established and that that will entail the creation of a carefully-considered suite of key performance indicators.

#### **Funds and Investment Policy and Performance Review**

It is the policy of the Trust to maximise the funds and the income derived from them by the employment of external investment managers. There are no restrictions on the Trust's power to invest. Following advice and discussions with the Trust's investment manager, Trustees agreed that the investment policy of the Trust should be geared towards achieving an annual income from the endowment fund of approximately £55,000, whilst still seeking some capital growth.

The Fund Managers managed to achieve an income of £57,199 from the Endowment Fund, during the year.

The value of the investment fund decreased over the year. The balance at the end year was £1,113,913 compared with £1,377,770 at the start, a decrease of £263,857. A decision was taken by trustees in the year to release £200,000 of funds from the Endowment Funds for restructuring purposes. Our Fund Managers continue to strive to create growth in the Fund.

#### **FINANCIAL REVIEW**

##### **Income and expenditure**

The Trust's income for the year came substantially from grant and service level agreement funding from various bodies, representing 74% of the Trust's overall income.

The Shetland Charitable Trust provides our core funding, supporting our administration and management function in addition to other areas of our core activity. During the year we received £1,235,102 in this respect, representing 32% of our overall income.

The Museum and Archives services were transferred to the Trust in October 2005 from the Shetland Islands Council. The provision of these services by the Trust is funded by the Shetland Islands Council through a service level agreement. Shetland's Museum and Archives building was officially opened on 31<sup>st</sup> May, 2007 and during this year £913,554 was received for the provision of these services, representing 24% of our overall funding. The Shetland Islands Council also provided funding for other areas of the Trust, the main recipients being Shetland Rangers (£43,751) and Promote Shetland (£173,500), before the contract came to an end.

Other funding for various aspects of our work came from Scottish Natural Heritage, EU Creative Europe, Historic Scotland, the Scottish Government, and the Heritage Lottery Fund. We are grateful to all our funders for their continued support year on year.

## SHETLAND AMENITY TRUST

### TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018

#### **FINANCIAL REVIEW (*continued*)**

The remaining portion of the Trust's income comes from Investment and Endowment Income, Donations & Sponsorship and a variety of activities we undertake in furtherance of our Trust objectives. These activities include the Lighthouse & Camping Böd letting, Sale of Merchandise, Sale of Publications, Sales of Plants and Remedial Works charged to external bodies carried out by our Architectural Heritage and Woodlands sections.

The Trust established a wholly owned subsidiary limited company, Hay's Dock Café Restaurant Ltd., in May 2007 to cover the restaurant, café and catering activities within the Shetland Museum & Archives. The results for the year saw a loss of £10,927 (2017 loss £25,051).

The main areas of expenditure for the Trust during the year were:

	£
Administration and Management	464,831
Planned Maintenance	273,742
Museum & Archives Services	1,015,249
Environmental Improvement	239,124
Planned Maintenance	255,525

#### **Staff Costs and Emoluments**

	<u>2017/18</u>	<u>2016/17</u>
Total Employee costs (including pension contributions)	£2,241,369	£2,458,940
Pension contributions	£324,908	£313,602
Expenses paid to Trustees	£1,631	£2,636
Number of Employees - Group	92	114
Number of Employees - Charity	75	90

There was one employee with emoluments greater than £60,000 during the year.

Redundancy costs of £99,728, including pension strain costs of £51,084 were incurred during the year. These were met using funding from the charity's Endowment Funds, as authorised by the trustees.

The cost of external audits and other governance costs provided by the auditor during the year was £30,795 as detailed in note 8 of the financial statements.

Trustees can be paid an attendance allowance to reimburse them for the cost of their travel to meetings. During the year reimbursements were made to 5 trustees. Trustees are not remunerated by the Trust.

#### **Revaluation of Property**

All Heritable and Leasehold property was revalued at 30 September 2017 by FG Burnett Ltd, independent valuers not connected with the charity, on the basis of Fair Value. This has resulted in a significant decrease in the valuation of the charity's portfolio and has seen a loss on revaluation of £3,063,913 being recognised in the Statement of Financial Activities.

#### **Reserves Policy**

The main aim of the reserves policy is to ensure that the Trust holds adequate funds to manage short term volatility in income or liquidity and to maintain its longer sustainability. The policy aims for the Trust to hold enough funds in order to provide adequate working capital levels for the continued operation of the Trust and completion of existing projects. Total funds currently stand at £10,061,693, with a total of £14,448,350 being restricted and negative funds of (£4,386,657) in unrestricted funds.

## SHETLAND AMENITY TRUST

### TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018

#### **Reserves Policy (*continued*)**

An exercise was conducted during the year to re-visit the classification of historical funds received which resulted in reallocations between restricted and unrestricted funds. This has been further explained in note 26 of the financial statements.

#### **Funds in deficit**

##### *Restricted Funds*

The overall restricted fund of £14,448,350 is after recognising a deficit of £2,154,623, which has resulted as a direct result of the revaluation of properties discussed above. This loss on revaluation has resulted in a net deficit of £2,154,623 in the revaluation reserve. This reserve is entirely dependent on the fair values of the properties in question at each subsequent revaluation and would be met by outstanding funds in the restricted capital fund on the disposal of any such asset.

##### *Unrestricted Funds*

The overall deficit in Unrestricted Funds of £4,386,657 is after recognising the pension reserve liability of £2,985,000 (2017: £5,082,000). During the current year, a decrease in the pension liability of £2,097,000 has been experienced. The defined benefit pension funds are controlled by the Shetland Islands Council with triennial review performed by the appointed actuaries. The pension liability is being addressed by deficit recovery contributions. These form part of the certified contribution rates which are agreed on a 3 yearly basis.

Excluding the pension liability, unrestricted funds shows a deficit of £1,401,657. The charity has recently initiated a period of restructuring and review of the internal operations of the charity, which it hopes, will help in reducing costs and generating additional income. This, it is hoped, will help to address the deficit position.

#### **Risk Management**

The Trust has conducted its own review of the major risks to which it is exposed and systems have been established to mitigate those risks. These include the Trust's commitment to a clear heritage vision as set out in its Strategic Plan; the development and delivery of quality projects; and the ongoing identification of funding sources and opportunities all so as to establish a successful track record and a broad diversification of activities.

Internal risks are minimised by the implementation of procedures for authorisation of transactions and projects to ensure consistent quality of delivery for all operational aspects of the Trust. These procedures are periodically reviewed to ensure that they still meet the needs of the Trust.

#### **PLANS FOR THE FUTURE**

Full details of the Trust's future plans are contained within its new Strategic Plan 2019-2025. This will focus on the Trust's role in delivering its points of the Shetland Partnership Plan. In addition we expect to:

- Continued development and delivery of a high quality Shetland Museum and Archive service for the benefit of the public, in line with the Service Level Agreement with Shetland Islands Council;
- Continued development of the Heritage Hub concept and improvement of the promotion of community museums and historic sites through the Shetland Museum and Archives.
- Development and delivery at our prime visitor attractions;
- Promoting the Shetland Heritage & Culture brand to a wider audience;
- Development of trail leaflets;
- Development of the Shetland Geopark;
- Contribution to the Open Space Strategy for Shetland.

## SHETLAND AMENITY TRUST

### TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Trustees and Organisational Structure**

The Trust is an unincorporated Scottish Charity, originally registered as a Charity on 10 January 1983, Scottish Charity Number SC017505.

The Trust Deed allows for up to 12 Trustees to be appointed. Trustees are appointed for the period of 4 years, when they can stand for re-election. New trustees are appointed by first advertising for interest in the local paper prior to the AGM. Nominations must be made on the official nomination form and elections are held by secret postal ballot. These ballots are opened and counted at the Trust's AGM.

All new trustees receive relevant strategic documents and have the opportunity to meet the Trust's CEO to discuss the ongoing work of the Trust and their roles and responsibilities as a trustee. This includes their legal obligations. As part of an ongoing review of the Trust, training for trustees will be investigated and provided as necessary.

The Trustees are responsible for the governance of the Trust and meet on a bi-monthly basis. Details of expenses paid to the trustees are included in the Financial Review section of this report.

The CEO takes responsibility for the day-to-day operation of the Trust and manages the staff of the Trust on behalf of the Trustees.

Key management personnel pay rates are benchmarked against the local authority's pay scale rates and adjusted accordingly when movements arise.

##### **Relationships with Related Parties**

The Trust has relationships with various funding partners whose funding assists the Trust in pursuing its charitable objectives. The Trust also works in partnership with other organisations, e.g. VisitScotland, Scottish Natural Heritage and the RSPB, for the furtherance of its charitable objectives.

##### **Auditors**

A resolution to reappoint The A9 Partnership Limited as auditors will be proposed at the Annual General Meeting.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

##### **Trustees**

Ruth Mackenzie (Chair)  
Andrew Blackadder  
Brian Gregson (resigned 11<sup>th</sup> September 2017)  
Alastair Hamilton  
Richard Jones (appointed 29<sup>th</sup> June 2018)  
Edward Knight (resigned 18<sup>th</sup> October 2017)  
Pauline Megson (appointed 18<sup>th</sup> October 2017)  
Alison Moncrieff (appointed 29<sup>th</sup> June 2018)  
Linda Riddell (appointed 18<sup>th</sup> October 2017)  
Frank Robertson  
George Sutherland  
Jonathan Wills (resigned 18<sup>th</sup> October 2017)  
Robert Brian Wishart (resigned 15<sup>th</sup> November 2017)  
Vaila Wishart (resigned 18<sup>th</sup> October, 2017)

##### **Chief Executive Officer**

Matthew Roberts

##### **Principal Office**

Garthspool  
Lerwick  
Shetland  
ZE1 0NY

## SHETLAND AMENITY TRUST

### TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018

#### REFERENCE AND ADMINISTRATIVE INFORMATION (*continued*)

<b>Auditors</b>	The A9 Partnership Limited 47 Commercial Road Lerwick Shetland ZE1 0NJ
<b>Bankers</b>	Clydesdale Bank Plc Commercial Street Lerwick Shetland ZE1 0JJ
<b>Investment Fund Managers</b>	Investec Wealth and Investment Ltd 5 George Square Glasgow G2 1DY
<b>Solicitors</b>	Harper Macleod LLP St. Olaf Hall Lerwick Shetland ZE1 0FD
<b>Founding Trust Deed</b>	Registered BC&S on 10 <sup>th</sup> January 1983
<b>Supplementary Trust Deed</b>	Registered BC&S on 17 <sup>th</sup> August 1993
<b>Charitable Status</b>	Scottish Charity Number: SC017505
<b>VAT Registration Number</b>	716 8439 12

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the terms of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**SHETLAND AMENITY TRUST**

**TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2018**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES (*continued*)**

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

Approved by Trustees on 31<sup>st</sup> August, 2018

A handwritten signature in black ink that reads "Ruth Mackenzie". The signature is written in a cursive, flowing style.

Mrs Ruth Mackenzie  
Chair and authorised signatory

## SHETLAND AMENITY TRUST

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES: YEAR ENDED 31 MARCH 2018

#### **Opinion**

We have audited the financial statements of Shetland Amenity Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31<sup>st</sup> March, 2018 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities, the Consolidated Balance Sheet, the Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31<sup>st</sup> March 2018, and of the group's incoming resources and application of resources, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **SHETLAND AMENITY TRUST**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES: YEAR ENDED 31 MARCH 2018**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; 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.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on pages xi - xii, the trustees are responsible for the preparation of financial statements which give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**SHETLAND AMENITY TRUST**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES: YEAR ENDED 31 MARCH 2018**

This report is made solely to the charity's trustees, as a body, in accordance with 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

..... *The A9 Partnership Limited* .....

THE A9 PARTNERSHIP LIMITED  
Chartered Accountants & Statutory Auditor

The A9 Partnership Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

47 Commercial Road  
Lerwick  
Shetland  
ZE1 0NJ

*5th September 2018*

**SHETLAND AMENITY TRUST**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31 MARCH 2018**

	Note	2018				2017	
		Unrestricted Funds £	Restricted Funds £	Restricted Grant Funds £	Restricted Endowment Funds £	RESTATED Total Funds £	
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	2	11,082	35,503	-	-	46,585	8,552
Charitable activities	3	733,765	2,816,805	-	-	3,550,570	3,814,085
Other trading activities	4	563,904	-	-	-	563,904	653,927
Investment income	5	21	57,199	-	-	57,220	60,450
<b>Total income and endowments</b>		<b>1,308,772</b>	<b>2,909,507</b>	<b>-</b>	<b>-</b>	<b>4,218,279</b>	<b>4,537,014</b>
<b>EXPENDITURE ON:</b>							
Raising funds	6	658,025	-	-	-	658,025	715,119
Charitable Activities	7	1,061,235	2,847,639	-	-	3,908,874	4,273,740
<b>Total expenditure</b>		<b>1,719,260</b>	<b>2,847,639</b>	<b>-</b>	<b>-</b>	<b>4,566,899</b>	<b>4,988,859</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>(410,488)</b>	<b>61,868</b>	<b>-</b>	<b>-</b>	<b>(348,620)</b>	<b>(451,845)</b>
Net (losses)/gains on investments	14	-	-	-	(63,857)	(63,857)	146,138
<b>Net income/(expenditure) for the year</b>		<b>(410,488)</b>	<b>61,868</b>	<b>-</b>	<b>(63,857)</b>	<b>(412,477)</b>	<b>(305,707)</b>
Net (losses) on the revaluation of fixed assets		-	(3,063,913)	-	-	(3,063,913)	-
<b>Net (expenditure) for the year</b>		<b>(410,488)</b>	<b>(3,002,045)</b>	<b>-</b>	<b>(63,857)</b>	<b>(3,476,390)</b>	<b>(305,707)</b>
<b>Transfers between funds</b>	26	460,389	(1,389)	(259,000)	(200,000)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>49,901</b>	<b>(3,003,434)</b>	<b>(259,000)</b>	<b>(263,857)</b>	<b>(3,476,390)</b>	<b>(305,707)</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	23	2,097,000	-	-	-	2,097,000	(2,435,000)
<b>Net movement in funds</b>		<b>2,146,901</b>	<b>(3,003,434)</b>	<b>(259,000)</b>	<b>(263,857)</b>	<b>(1,379,390)</b>	<b>(2,740,707)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		(6,533,558)	1,078,229	15,518,642	1,377,770	11,441,083	14,181,790
<b>Total funds carried forward</b>		<b>(4,386,657)</b>	<b>(1,925,205)</b>	<b>15,259,642</b>	<b>1,113,913</b>	<b>10,061,693</b>	<b>11,441,083</b>

The Statement of Financial Activities includes all gains and losses in the year.

All incoming resources and resources expended derive from continuing activities.

**SHETLAND AMENITY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31 MARCH 2018**

	Note	2018				2017	
		Unrestricted Funds £	Restricted Funds £	Restricted Grant Funds £	Restricted Endowment Funds £	RESTATED Total Funds £	
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	2	11,082	35,503	-	-	46,585	8,552
Charitable activities	3	733,765	2,816,805	-	-	3,550,570	3,814,085
Other trading activities	4	158,226	-	-	-	158,226	220,329
Investment income	5	21	57,199	-	-	57,220	60,450
<b>Total income and endowments</b>		<b>903,094</b>	<b>2,909,507</b>	<b>-</b>	<b>-</b>	<b>3,812,601</b>	<b>4,103,416</b>
<b>EXPENDITURE ON:</b>							
Raising funds	6	252,160	-	-	-	252,160	261,155
Charitable Activities	7	1,050,495	2,847,639	-	-	3,853,310	4,269,055
<b>Total expenditure</b>		<b>1,302,655</b>	<b>2,847,639</b>	<b>-</b>	<b>-</b>	<b>4,105,470</b>	<b>4,530,210</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>(399,561)</b>	<b>61,868</b>	<b>-</b>	<b>-</b>	<b>(337,693)</b>	<b>(426,794)</b>
Net (losses)/gains on investments	14	-	-	-	(63,857)	(63,857)	146,138
<b>Net (expenditure) for the year</b>		<b>(399,561)</b>	<b>61,868</b>	<b>-</b>	<b>(63,857)</b>	<b>(401,550)</b>	<b>(280,656)</b>
Net (losses) on the revaluation of fixed assets		-	(3,063,913)	-	-	(3,063,913)	-
<b>Net (expenditure) for the year</b>		<b>(399,561)</b>	<b>(3,002,045)</b>	<b>-</b>	<b>(63,857)</b>	<b>(3,465,463)</b>	<b>(280,656)</b>
<b>Transfers between funds</b>	26	460,389	(1,389)	(259,000)	(200,000)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>60,828</b>	<b>(3,003,434)</b>	<b>(259,000)</b>	<b>(263,857)</b>	<b>(3,465,463)</b>	<b>(280,656)</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	23	2,097,000	-	-	-	2,097,000	(2,435,000)
<b>Net movement in funds</b>		<b>2,157,828</b>	<b>(3,003,434)</b>	<b>(259,000)</b>	<b>(263,857)</b>	<b>(1,368,463)</b>	<b>(2,715,656)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		(6,472,769)	1,078,229	15,518,642	1,377,770	11,501,872	14,217,528
<b>Total funds carried forward</b>		<b>(4,314,941)</b>	<b>(1,925,205)</b>	<b>15,259,642</b>	<b>1,113,913</b>	<b>10,133,409</b>	<b>11,501,872</b>

The Statement of Financial Activities includes all gains and losses in the year.

All incoming resources and resources expended derive from continuing activities.

**SHETLAND AMENITY TRUST**

**CONSOLIDATED BALANCE SHEET: YEAR ENDED 31 MARCH 2018**

	Note	<b>2018</b>	<b>RESTATED</b>
		<b>£</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Intangible Assets	12	-	-
Tangible Assets	13	12,926,234	16,200,137
Endowment Investments (at market value)	14	1,113,913	1,377,770
Other Investments	15	5,600	5,600
<b>Total fixed assets</b>		<b>14,045,747</b>	<b>17,583,507</b>
<b>CURRENT ASSETS</b>			
Stocks and work-in-progress	16	120,521	204,938
Debtors	17	350,469	213,971
Cash at Bank and in hand	18	652,649	259,398
<b>Total current assets</b>		<b>1,123,639</b>	<b>678,307</b>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	19	( 1,826,145)	( 1,431,245)
<b>Net current liabilities</b>		<b>( 702,506)</b>	<b>( 752,938)</b>
<b>Total assets less current liabilities</b>		<b>13,343,241</b>	<b>16,830,569</b>
Creditors: Amounts falling due after more than one year	20	( 296,548)	( 307,486)
<b>Net assets excluding pension asset or liability</b>		<b>13,046,693</b>	<b>16,523,083</b>
<b>Defined Benefit Pension Scheme Liability</b>	23	( 2,985,000)	( 5,082,000)
<b>NET ASSETS</b>		<b>10,061,693</b>	<b>11,441,083</b>
<b><u>THE FUNDS OF THE CHARITY</u></b>			
Endowment Fund	26	1,113,913	1,377,770
Restricted Income Funds	26	229,418	168,939
Restricted Capital Funds	26	15,259,642	15,518,642
Restricted Revaluation Reserve	26	( 2,154,623)	909,290
<b><u>Unrestricted Income Funds</u></b>			
Capital on formation	26	1	1
Unrestricted income funds excluding pension liability	26	( 1,401,658)	( 1,451,559)
Pension reserve	26	( 2,985,000)	( 5,082,000)
		( 4,386,657)	( 6,533,558)
<b>TOTAL CHARITY FUNDS</b>	27	<b>10,061,693</b>	<b>11,441,083</b>

Approved by the Board of Trustees and signed on its behalf by;

TRUSTEE: Ruth Mackenzie

TRUSTEE: Barbara R. Mackenzie

DATE: 31/8/18

**SHETLAND AMENITY TRUST**

**BALANCE SHEET: YEAR ENDED 31 MARCH 2018**

	Note	2018 £	RESTATED 2017 £
<b>FIXED ASSETS</b>			
Intangible Assets	12	-	-
Tangible Assets	13	12,926,234	16,200,137
Endowment Investments (at market value)	14	1,113,913	1,377,770
Other Investments	15	5,601	5,601
<b>Total fixed assets</b>		<b>14,045,748</b>	<b>17,583,508</b>
<b>CURRENT ASSETS</b>			
Stocks and work-in-progress	16	116,844	202,568
Debtors	17	397,230	252,482
Cash at Bank and in hand	18	640,814	247,134
<b>Total current assets</b>		<b>1,154,888</b>	<b>702,184</b>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	19	( 1,785,679)	( 1,394,334)
<b>Net current liabilities</b>		<b>( 630,791)</b>	<b>( 692,150)</b>
<b>Total assets less current liabilities</b>		<b>13,414,957</b>	<b>16,891,358</b>
Creditors: Amounts falling due after more than one year	20	( 296,548)	( 307,486)
<b>Net assets excluding pension asset or liability</b>		<b>13,118,409</b>	<b>16,583,872</b>
<b>Defined Benefit Pension Scheme Liability</b>	23	( 2,985,000)	( 5,082,000)
<b>NET ASSETS</b>		<b>10,133,409</b>	<b>11,501,872</b>
<b><u>THE FUNDS OF THE CHARITY</u></b>			
Endowment Fund	26	1,113,913	1,377,770
Restricted Income Funds	26	229,418	168,939
Restricted Capital Funds	26	15,259,642	15,518,642
Restricted Revaluation Reserve	26	( 2,154,623)	909,290
<u>Unrestricted Income Funds</u>			
Capital on formation	26	1	1
Unrestricted income funds excluding pension liability	26	( 1,329,942)	( 1,390,770)
Pension reserve	26	( 2,985,000)	( 5,082,000)
		( 4,314,941)	( 6,472,769)
<b>TOTAL CHARITY FUNDS</b>	27	<b>10,133,409</b>	<b>11,501,872</b>

Approved by the Board of Trustees and signed on its behalf by;

TRUSTEE: Ruth Mackenzie

TRUSTEE: Alan R. Hamish

DATE: 31/8/18

**SHETLAND AMENITY TRUST**

**CONSOLIDATED STATEMENT OF CASH FLOWS: YEAR ENDED 31 MARCH 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities:</b>					
<b>Net cash provided by/(used in) operating activities</b>	28 (a)		225,680	( 370,728)	
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments			57,220	60,450	
Purchase of property, plant and equipment	(		62,155)	( 26,918)	
Proceeds from sale of fixed assets			11,250	21,667	
Proceeds from sale of investments			397,659	348,891	
Purchase of investments and additional cash available for investments	(		195,869)	( 352,538)	
			208,105	51,552	
<b>Cash flows from financing activities:</b>					
Repayment of borrowing	(		10,612)	( 10,297)	
Cash inflows from new borrowing			6,686	22,570	
Interest paid	(		11,349)	( 11,713)	
			( 15,275)	560	
<b>Change in cash and cash equivalents in the reporting period</b>					
			418,510	( 318,616)	
<b>Cash and cash equivalents at the beginning of the reporting period</b>			( 467,454)	( 148,838)	
<b>Cash and cash equivalents at the end of the reporting period</b>	28 (b)		( 48,944)	( 467,454)	

## SHETLAND AMENITY TRUST

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018

#### 1. ACCOUNTING POLICIES

##### (a) Basis of Accounting and Going Concern

Shetland Amenity Trust is a registered Scottish charity and is constituted by its trust deed. The address of the charity's registered office and a description of the charity's operations and principal activities are further discussed in the Trustees' Report. The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are prepared under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant notes to these accounts, and include the results of the charitable group's operations which are described in the Trustees' Report and all of which are continuing.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The functional currency of Shetland Amenity Trust is considered to be pounds sterling because that is the currency of the primary economic environment in which the charity operates.

The trustees have a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### (b) Group Accounts

These financial statements consolidate the results of the charity and its wholly owned subsidiary, Hay's Dock Café Restaurant Ltd. The subsidiary, Robertsons (Lerwick) Ltd has not been consolidated as the company is dormant and the results are not material to the group.

##### (c) Critical Accounting Estimates and Areas of Judgement

The charity makes estimates and assumptions concerning the future. The charity has not identified any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

##### (d) Income

As a general principle, income is recognised in the Statement of Financial Activities when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities. Income is only recognised when all of the following criteria are met:

- Entitlement: control over the rights or other access to the economic benefit has passed to the charity;
- Probable: it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity; and
- Measurement: the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**1. ACCOUNTING POLICIES (continued)**

**(d) Income (continued)**

Incoming resources are analysed and directly attributed to the appropriate activity that produced the resources.

Grants are recognised when the entitlement to the grant is confirmed. Grants for the purchase of equipment and towards initial setting up of projects are credited in full to the various activities in furtherance of the Charity's objects in the year in which they are received.

Where grant income received is subject to donor imposed conditions that specify the time period in which the expenditure can take place, such incoming resources are accounted for as deferred income and recognised as a liability until the accounting period in which the Trust is allowed by the conditions to expend the resources.

Where grant income is received with conditions attached that must be fulfilled before the Trust has unconditional entitlement of the resources, and uncertainty exists as to whether the Trust can meet conditions within its control, such incoming resources are accounted for as deferred income and recognised as a liability until certainty exists that the conditions imposed can be met.

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

**(e) Expenditure**

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

Support costs are those functions that assist the work of the charity but do not undertake charitable activities. These costs include staff salaries, overheads and governance costs. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis that reflects the use of the resource.

**(f) Termination Benefits**

Termination benefits are payable when employment is terminated by the charity before the normal retirement date, or whenever an employee accepts voluntary redundancy. Such benefits are recognised when the charity is demonstrably committed to terminating the employment without withdrawal or when an offer of voluntary redundancy is accepted.

**(g) Grant Aid**

Grant Aid is accounted for when committed.

**(h) Operating Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against surpluses on a straight line basis over the period of the lease.



## SHETLAND AMENITY TRUST

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018

#### 1. ACCOUNTING POLICIES (continued)

(i) **Value Added Tax**

Irrecoverable value added tax is written off when the expenditure to which it relates is incurred.

(j) **Pensions – Defined Benefit Scheme**

Employees are eligible for membership of the Local Government Pension Scheme, a multi-employer defined benefit statutory scheme, administered by Shetland Islands Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining work lives of current members in the scheme.

(k) **Donated Goods and Services**

Where donations of assets, other goods, services or facilities are received by the charity free of charge, and the benefit to the charity is reasonably quantifiable, in the Statement of Financial Activities, the estimated value to the charity of these goods, services or facilities received is included in incoming resources and equivalent amounts of expenditure are included as expenditure under the appropriate headings.

(l) **Tangible Fixed Assets**

No single equipment purchase with a cost below £2,000 is to be capitalised. Any item of equipment costing more than £2,000 is initially capitalised at cost.

Heritable and Leasehold properties, whose fair value can be measured reliably, are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses, based on their remaining useful lives. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in net income/(expenditure) for the year and accumulated in the total funds of the charity

Depreciation is charged on fixed assets, other than investments, from the month of purchase so as to write off each asset's net cost less any residual value over its anticipated useful economic life. The following rates of depreciation are used:

Heritable Property	- straight line over the useful life of the building, varying from 10 to 15 years
Long Leasehold Property	- straight line over the remaining useful life, deemed to be 40 years
Equipment	- 10 - 20% straight line
Motor Vehicles	- 20% straight line

Artwork is not depreciated as it is considered to have a useful life of greater than 50 years and therefore any depreciation is considered immaterial. The Trustees consider that this departure from United Kingdom Generally Accepted Accounting Practice (UK GAAP) is necessary in order to provide a true and fair view.

## SHETLAND AMENITY TRUST

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018

#### 1. ACCOUNTING POLICIES (continued)

**(l) Tangible Fixed Assets (continued)**

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

**(m) Intangible Fixed Assets**

Patents and other intangible assets are capitalised at cost. Amortisation is charged using the straight line method from the month of purchase so as to write off the cost of these assets less any residual value over their useful economic life. Assets currently held are being written off over 5 years.

**(n) Investments**

Listed investments are initially capitalised at cost value, but are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are stated at cost.

**(o) Stock**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the Statement of Financial Activities. Reversals of impairment losses are also recognised in the Statement of Financial Activities.

**(p) Debtors**

Trade and other debtors, that are receivable within one year, are measured at their recoverable amounts and include amounts owed to the charity for the provision of goods and services or amounts paid in advance for goods and services that the charity will receive.

**(q) Cash at Bank and in Hand**

Cash at bank and in hand is held to meet the short-term cash commitments as they fall due rather than for any investment purposes.

## SHETLAND AMENITY TRUST

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018

#### 1. ACCOUNTING POLICIES (continued)

##### (r) Liabilities

Liabilities arise from legal or constructive obligations that commit the charity to expenditure. A liability and related expenditure is recognised when all of the following criteria are met:

- Obligation: a present legal or constructive obligation exists at the reporting date as a result of a past event;
- Probable: it is more likely than not that a transfer of economic benefits, often cash, will be required in settlement; and
- Measurement: the amount of the obligation can be measured or estimated reliably.

Liabilities that are classified as payable within one year on initial recognition are measured at the undiscounted amount of cash or other consideration expected to be paid. Amounts are included in liabilities when authorised and committed.

##### (s) Funds

With the adoption of the statement of recommended practice, funds require to be classified between restricted funds which are subject to specific terms as to their use laid down by the donor and unrestricted funds which can be used at the discretion of the Trustees in the furtherance of the objectives of the Trust.

All funds held as Restricted Funds are funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by the donors.

Endowment funds are capital funds where the capital cannot be spent although the income may be spent. The investment income is added to restricted funds and is utilised in the furtherance of delivering the charity's objectives.

Permanent Restricted Grant funds are grant funding that has been received in respect of specific capital expenditure. The amount transferred between funds relates to the amortisation of the capitalised grants. These grants are amortised over the useful economic life of the assets the grants were received for.

##### (t) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net incoming/outgoing resources.

##### (u) Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at their transaction value and subsequently measured at their settlement value.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

	Group				Charity			
	2018	2018	2018	2017	2018	2018	2018	2017
	£	£	£	£	£	£	£	£
	Unrestricted Funds	Restricted Funds	Total	RESTATED Total	Unrestricted Funds	Restricted Funds	Total	RESTATED Total
<b>2 Donations and legacies</b>								
<b>Donations</b>								
Administration Unit	235	-	235	-	235	-	235	-
Architectural Heritage	60	-	60	-	60	-	60	-
Bod Accommodation	-	-	-	155	-	-	-	155
Glass Recycling	-	-	-	10	-	-	-	10
Geoparks	30	-	30	140	30	-	30	140
Museum Archives	-	-	-	154	-	-	-	154
Museum	4,776	13,903	18,679	3,510	4,776	13,903	18,679	3,510
Museum Service	2,997	-	2,997	2,741	2,997	-	2,997	2,741
Old Scatness Broch	29	-	29	38	29	-	29	38
Promote Shetland	-	-	-	120	-	-	-	120
Shetland Boat Week	1,768	-	1,768	-	1,768	-	1,768	-
Shetland Wool Week	600	-	600	-	600	-	600	-
Sumburgh Head	10	-	10	-	10	-	10	-
Viking Unst	577	-	577	1,484	577	-	577	1,484
Woodlands	-	-	-	200	-	-	-	200
<b>Total donations</b>	<b>11,082</b>	<b>13,903</b>	<b>24,985</b>	<b>8,552</b>	<b>11,082</b>	<b>13,903</b>	<b>24,985</b>	<b>8,552</b>

The charity benefits from the involvement and enthusiastic support of its volunteers, details of which are given in the trustees' report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

**Sponsorship**

Environmental Improvement	-	2,750	2,750	-	-	2,750	2,750	-
General	-	18,850	18,850	-	-	18,850	18,850	-
<b>Total sponsorship</b>	<b>-</b>	<b>21,600</b>	<b>21,600</b>	<b>-</b>	<b>-</b>	<b>21,600</b>	<b>21,600</b>	<b>-</b>
<b>Total donations and sponsorship</b>	<b>11,082</b>	<b>35,503</b>	<b>46,585</b>	<b>8,552</b>	<b>11,082</b>	<b>35,503</b>	<b>46,585</b>	<b>8,552</b>

**Group and Charity:**

All donated income in 2017 for the group and the charity was considered to be unrestricted funds.

**3 Charitable activities**

**Grant funded income**

**Shetland Charitable Trust**

Administration Unit	-	498,297	498,297	512,468	-	498,297	498,297	512,468
Archaeology	-	63,522	63,522	63,522	-	63,522	63,522	63,522
Environmental Improvement	-	178,627	178,627	205,000	-	178,627	178,627	205,000
Interpretation	-	60,000	60,000	60,000	-	60,000	60,000	60,000
Natural Heritage	-	38,512	38,512	38,512	-	38,512	38,512	38,512
Place Names	-	44,634	44,634	44,634	-	44,634	44,634	44,634
Planned Maintenance	-	250,000	250,000	255,513	-	250,000	250,000	255,513
Woodlands	-	101,510	101,510	101,510	-	101,510	101,510	101,510
	-	1,235,102	1,235,102	1,281,159	-	1,235,102	1,235,102	1,281,159

**Shetland Islands Council**

Architectural Heritage	-	-	-	66,526	-	-	-	66,526
Environmental Improvement	-	-	-	2,500	-	-	-	2,500
General	-	-	-	9,688	-	-	-	9,688
Geoparks	-	8,433	8,433	-	-	8,433	8,433	-
Shetland Rangers	-	-	-	43,751	-	-	-	43,751
	-	8,433	8,433	122,465	-	8,433	8,433	122,465

**Scottish Natural Heritage**

Peatland Project	-	107,366	107,366	564	-	107,366	107,366	564
	-	107,366	107,366	564	-	107,366	107,366	564

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

3 Charitable activities (cont.)	Group				Charity			
	2018 £	2018 £	2018 £	2017 £	2018 £	2018 £	2018 £	2017 £
	Unrestricted Funds	Restricted Funds	Total	RESTATED Total	Unrestricted Funds	Restricted Funds	Total	RESTATED Total
<b><u>HIE Shetland</u></b>								
Geoparks	-	-	-	26,053	-	-	-	26,053
Promote Shetland	-	-	-	36,480	-	-	-	36,480
	-	-	-	62,533	-	-	-	62,533
<b><u>EU Creative Europe</u></b>								
Follow the Vikings	-	113,204	113,204	161,043	-	113,204	113,204	161,043
	-	113,204	113,204	161,043	-	113,204	113,204	161,043
<b><u>Historic Scotland</u></b>								
Archaeology	-	346	346	-	-	346	346	-
Arch GIS Assistant	-	23,899	23,899	13,076	-	23,899	23,899	13,076
	-	24,245	24,245	13,076	-	24,245	24,245	13,076
<b><u>Big Lottery</u></b>								
Shetland Boat Building Project	-	-	-	59,550	-	-	-	59,550
	-	-	-	59,550	-	-	-	59,550
<b><u>Grant Aid Account</u></b>								
Administration	-	21,488	21,488	12,000	-	21,488	21,488	12,000
Arch GIS Assistant	-	-	-	1,000	-	-	-	1,000
Geopark	-	5,000	5,000	-	-	5,000	5,000	-
Shetland Boat Building Project	-	9,500	9,500	9,500	-	9,500	9,500	9,500
Shetland Boat Week	-	-	-	1,886	-	-	-	1,886
Shetland Wool Week	-	5,000	5,000	-	-	5,000	5,000	-
Lighthouse Accommodation	-	-	-	15,000	-	-	-	15,000
Promote Shetland	-	-	-	5,000	-	-	-	5,000
	-	40,988	40,988	44,386	-	40,988	40,988	44,386
<b><u>Other Grants</u></b>								
Administration	-	-	-	1,550	-	-	-	1,550
General	-	10,250	10,250	-	-	10,250	10,250	-
Geoparks	-	53,787	53,787	-	-	53,787	53,787	-
Halligarth Project	-	40,500	40,500	-	-	40,500	40,500	-
Museum	-	750	750	-	-	750	750	-
Museum OSB Project	-	33,375	33,375	2,939	-	33,375	33,375	2,939
	-	138,662	138,662	4,489	-	138,662	138,662	4,489
<b><u>Other income from charitable activities</u></b>								
<b><u>Shetland Islands Council</u></b>								
Archaeology	-	18,000	18,000	27,493	-	18,000	18,000	27,493
Archives Service	-	147,424	147,424	147,424	-	147,424	147,424	147,424
Museum Education	-	62,183	62,183	-	-	62,183	62,183	63,561
Museum Facility	-	499,969	499,969	63,561	-	499,969	499,969	499,891
Museum Service	-	203,978	203,978	499,891	-	203,978	203,978	202,678
Promote Shetland	-	173,500	173,500	202,678	-	173,500	173,500	394,000
Shetland Rangers	-	43,751	43,751	394,000	-	43,751	43,751	-
	-	1,148,805	1,148,805	1,335,047	-	1,148,805	1,148,805	1,335,047

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

	Group				Charity			
	2018 £	2018 £	2018 £	2017 £	2018 £	2018 £	2018 £	2017 £
3 Charitable activities (cont.)	Unrestricted Funds	Restricted Funds	Total	RESTATED Total	Unrestricted Funds	Restricted Funds	Total	RESTATED Total
<b>Other sources</b>								
Administration	2,821	-	2,821	8,395	2,821	-	2,821	8,395
Anderson High School	39,476	-	39,476	-	39,476	-	39,476	-
Anti-Litter Agency	29,663	-	29,663	-	29,663	-	29,663	-
Archaeology	9,831	-	9,831	3,289	9,831	-	9,831	3,289
Archaeology Agency	2,157	-	2,157	7,509	2,157	-	2,157	7,509
Arch GIS Assistant	3,169	-	3,169	16,198	3,169	-	3,169	16,198
Architectural Heritage	88,916	-	88,916	236,110	88,916	-	88,916	236,110
Archives Service	951	-	951	2,087	951	-	951	2,087
Camping Bod Accommodation	25,700	-	25,700	26,569	25,700	-	25,700	26,569
Environmental Improvement	39,914	-	39,914	27,577	39,914	-	39,914	27,577
General Account	2,193	-	2,193	8,478	2,193	-	2,193	8,478
Geoparks	3,182	-	3,182	7,370	3,182	-	3,182	7,370
Glass Recycling	7,803	-	7,803	17,288	7,803	-	7,803	17,288
Lighthouse Accommodation	69,872	-	69,872	42,090	69,872	-	69,872	42,090
Museum Education	1,525	-	1,525	2,610	1,525	-	1,525	2,610
Museum Facility	17,865	-	17,865	19,758	17,865	-	17,865	19,758
Museum Service	12,009	-	12,009	6,945	12,009	-	12,009	6,945
Natural Heritage	22,764	-	22,764	17,944	22,764	-	22,764	17,944
Old Scatness Broch	4,001	-	4,001	3,401	4,001	-	4,001	3,401
Peatland Project	34,641	-	34,641	8,192	34,641	-	34,641	8,192
Place Names	152	-	152	55	152	-	152	55
Promote Shetland	4,354	-	4,354	230,810	4,354	-	4,354	230,810
Shetland Boat Building Project	-	-	-	10,510	-	-	-	10,510
Shetland Boat Week	8,670	-	8,670	3,243	8,670	-	8,670	3,243
Shetland Heritage Publications	120,057	-	120,057	15,400	120,057	-	120,057	15,400
Shetland Nature Festival	-	-	-	1,273	-	-	-	1,273
Shetland Wool Week	171,686	-	171,686	-	171,686	-	171,686	-
Woodlands	10,393	-	10,393	6,094	10,393	-	10,393	6,094
Viking Congress	-	-	-	45	-	-	-	45
Viking Unst	-	-	-	533	-	-	-	533
	<b>733,765</b>	<b>-</b>	<b>733,765</b>	<b>729,773</b>	<b>733,765</b>	<b>-</b>	<b>733,765</b>	<b>729,773</b>
<b>Total charitable activities</b>	<b>733,765</b>	<b>2,816,805</b>	<b>3,550,570</b>	<b>3,814,085</b>	<b>733,765</b>	<b>2,816,805</b>	<b>3,550,570</b>	<b>3,814,085</b>

Group and Charity:

Total grant funded income and other income from charitable activities from the Shetland Islands Council of £3,084,312 was considered to be restricted funds in 2017. The remaining £729,773 of other income from charitable activities was considered to be unrestricted.

**4 Other trading activities**

Hay's Dock Café Restaurant Ltd sales	405,678	-	405,678	433,598	-	-	-	-
Museum Shop - sale of goods	80,942	-	80,942	103,673	80,942	-	80,942	103,673
Sumburgh Head - sale of goods, accommodation and events	77,284	-	77,284	116,656	77,284	-	77,284	116,656
<b>Total income from other trading activities</b>	<b>563,904</b>	<b>-</b>	<b>563,904</b>	<b>653,927</b>	<b>158,226</b>	<b>-</b>	<b>158,226</b>	<b>220,329</b>

Group and Charity:

All trading income in 2017 was considered to be unrestricted funds.

**5 Investment income**

Investments listed on a recognised stock exchange	-	57,199	57,199	60,384	-	57,199	57,199	60,384
Bank interest received	21	-	21	66	21	-	21	66
<b>Total investment income</b>	<b>21</b>	<b>57,199</b>	<b>57,220</b>	<b>60,450</b>	<b>21</b>	<b>57,199</b>	<b>57,220</b>	<b>60,450</b>

Group and Charity:

Investment income of £60,384 was considered to be restricted funds in 2017. The remaining £66 was considered to be unrestricted funds.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
	Unrestricted Funds	RESTATED Unrestricted Funds	Unrestricted Funds	RESTATED Unrestricted Funds
<b>6 Expenditure on raising funds</b>				
<b>MUSEUM SHOP</b>				
Museum Shop	113,009	91,955	113,009	91,955
Sumburgh Head Operational Budget	139,151	158,222	139,151	169,200
	<u>252,160</u>	<u>250,177</u>	<u>252,160</u>	<u>261,155</u>
<b>HAYS DOCK CAFÉ RESTAURANT LIMITED</b>				
Cost of Sales	153,068	165,951	-	-
Administrative Expenses	252,797	298,991	-	-
	<u>405,865</u>	<u>464,942</u>	<u>-</u>	<u>-</u>
<b>Total expenditure on raising funds</b>	<u>658,025</u>	<u>715,119</u>	<u>252,160</u>	<u>261,155</u>

	Group				Charity			
	2018 £	2018 £	2018 £	2017 £	2018 £	2018 £	2018 £	2017 £
	Unrestricted Funds	Restricted Funds	Total	RESTATED Total	Unrestricted Funds	Restricted Funds	Total	RESTATED Total
<b>7 Expenditure on charitable activities</b>								
<b>Support costs</b>								
General Expenses	55,007	67,404	122,411	(17,865)	55,007	67,404	122,411	(17,865)
Administration Expenses	19,496	445,335	464,831	559,885	19,496	445,335	464,831	559,885
Governance Costs 8	10,740	36,146	46,886	25,226	-	36,146	36,146	20,541
<b>Activities undertaken directly</b>								
Archaeology	1,345	81,868	83,213	102,919	1,345	81,868	83,213	102,919
Archaeology Agency	1,057	-	1,057	21,898	1,057	-	1,057	21,898
Viking Unst	4,126	-	4,126	4,140	4,126	-	4,126	4,140
Old Scatness Broch	4,031	-	4,031	4,121	4,031	-	4,031	4,121
Architectural Heritage	62,336	-	62,336	312,395	62,336	-	62,336	312,395
Planned Maintenance	23,742	250,000	273,742	255,525	23,742	250,000	273,742	255,525
Shetland Heritage Publications	151,815	-	151,815	13,135	151,815	-	151,815	13,135
Woodlands	9,865	101,510	111,375	103,869	9,865	101,510	111,375	103,869
Geoparks	27,308	67,220	94,528	43,051	27,308	67,220	94,528	43,051
Natural Heritage	20,681	45,000	65,681	61,957	20,681	45,000	65,681	61,957
Shetland Rangers	-	37,263	37,263	58,075	-	37,263	37,263	58,075
Environmental Improvement	57,747	181,377	239,124	233,228	57,747	181,377	239,124	233,228
Glass Recycling	( 1,726)	-	( 1,726)	55,954	( 1,726)	-	( 1,726)	55,954
Place Names	6,248	44,634	50,882	49,435	6,248	44,634	50,882	49,435
Community History Programme	-	60,000	60,000	55,945	-	60,000	60,000	55,945
Shetland Nature Festival	1,273	-	1,273	-	1,273	-	1,273	-
Archives	15,331	149,034	164,365	150,165	15,331	149,034	164,365	150,165
Museum	-	199,900	199,900	210,528	-	199,900	199,900	210,528
Museum - Education	6,956	63,792	70,748	68,412	6,956	63,792	70,748	68,412
Museum - Facility	78,658	501,578	580,236	541,343	78,658	501,578	580,236	541,343
Promote Shetland	3,123	173,500	176,623	-	3,123	173,500	176,623	-
Shetland Boat Building Project	13,883	9,500	23,383	717,826	13,883	9,500	23,383	717,826
Shetland Boat Week	11,026	-	11,026	27,921	11,026	-	11,026	27,921
Peatland Project	20,627	107,366	127,993	16,794	20,627	107,366	127,993	16,794
ARCH G.I.S. Assistant	1,264	23,899	22,635	25,174	( 1,264)	23,899	22,635	25,174
Follow the Vikings	4,473	113,204	117,677	164,640	4,473	113,204	117,677	164,640
Museum OSB Project	-	21,021	21,021	21,111	-	21,021	21,021	21,111
Halligarth Project	-	3,473	3,473	-	-	3,473	3,473	-
Shetland Wool Week	153,844	5,000	158,844	-	153,844	5,000	158,844	-
Anderson High School	39,476	-	39,476	-	39,476	-	39,476	-
Depreciation 9	260,011	-	260,011	315,650	260,011	-	260,011	315,650
<b>Grant funding of activities</b>								
Grant Aid 11	-	58,615	58,615	71,283	-	58,615	58,615	71,283
	<u>1,061,235</u>	<u>2,847,639</u>	<u>3,908,874</u>	<u>4,273,740</u>	<u>1,050,495</u>	<u>2,847,639</u>	<u>3,898,134</u>	<u>4,269,055</u>

Group and Charity:

£3,148,751 of expenditure on charitable activities in 2017 was considered to be restricted, including expenditure on grant funding of activities of £71,283. £1,124,989 was considered to be unrestricted.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

	Note	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
<b>8 GOVERNANCE COSTS</b>					
<u>Auditor's Remuneration</u>					
Audit Fees		21,650	11,105	17,400	11,105
Assurance Services other than audit or independent examination		3,545	950	3,545	950
Tax Advisory Services		350	180	350	180
Other Financial Services		15,990	4,155	9,500	4,155
<u>Other Governance costs:</u>					
Legal fees		1,820	-	1,820	-
Trustees Allowances		1,925	2,636	1,925	2,636
Other Trustee Costs - Trustee Indemnity Insurance		1,606	1,515	1,606	1,515
		<u>46,886</u>	<u>20,541</u>	<u>36,146</u>	<u>20,541</u>

Trustees are paid an attendance allowance to reimburse them for the cost of their travel to meetings.

During the year, reimbursements were made to 5 trustees totalling £1,631 (2017: 9 trustees totalling £2,636). An additional £294 was paid in relation to advertising for new trustees.

Trustees are not remunerated by the Trust.

9 DEPRECIATION		2018 £	2017 £	2018 £	2017 £
Depreciation	13	260,011	315,650	260,011	315,650
		<u>260,011</u>	<u>315,650</u>	<u>260,011</u>	<u>315,650</u>

10 STAFF COSTS AND EMOLUMENTS		2018 £	2017 £	2018 £	2017 £
Wages and salaries		1,973,194	2,243,313	1,764,128	1,971,863
Employers National Insurance		159,077	173,475	152,333	173,475
Pension Costs		325,657	313,617	324,908	313,602
		<u>2,457,928</u>	<u>2,730,405</u>	<u>2,241,369</u>	<u>2,458,940</u>

Average number of staff 92 114 75 90

Number of staff with emoluments between:- £60,000-£70,000 1 2 1 2

The total employment benefits, including employers pension contributions, of key management personnel was £257,212 (2017: £326,026).

11 GRANT AID		2018 £	2017 £	2018 £	2017 £
Grants Paid		22,195	38,012	22,195	38,012
Grants Committed	11a	36,420	32,520	36,420	32,520
Interest Free Loans	11a	-	750	-	750
		<u>58,615</u>	<u>71,282</u>	<u>58,615</u>	<u>71,282</u>



**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**11a GRANTS PAID/COMMITTED**

	Committed at 1st April 2017 £	Awarded during the Year £	Grants written off £	Paid during the Year £	Committed at 31 March 2018 £
SAT Viking Unst	15,000				15,000
Shetland Boat Week	7,500				7,500
Shetland Moving Image Archive	1,020			( 1,020)	-
Thorgrimur Gestsson	3,000		( 3,000)		-
Edinburgh World Heritage Trust	4,000				4,000
Walls Methodist Church	2,000			( 2,000)	-
SAT Project Development	-	12,000		( 12,000)	-
SAT Wool Week	-	5,000		( 5,000)	-
SAT Property Acquisition	-	10,500		( 10,500)	-
SAT Boat Building Store	-	9,500		( 9,500)	-
SAT Salary Uplift	-	8,820		( 8,820)	-
SAT Drifting Apart	-	9,170		( 5,000)	4,170
Eshaness Lighthouse	-	750		-	750
Stonework repairs	-	5,875		( 875)	5,000
	<u>32,520</u>	<u>61,615</u>	<u>( 3,000)</u>	<u>( 54,715)</u>	<u>36,420</u>

**GRANT AID SCHEME**

The Trust operates a grant aid scheme financed by investment income from its endowment fund. The ability to offer grant assistance is dependant on the level of investment income received and can vary from year to year depending on stock market performance.

Grants are offered for projects in environmental improvement and interpretation including access to the countryside and publications promoting Shetland's heritage. Applications are also considered for the restoration, renovation and preservation of artefacts considered to have significance in the interpretation of Shetland's history. Projects being submitted must demonstrate a tangible benefit for the people of Shetland and ensure the furtherance for the Trust's objectives.

**ANALYSIS OF GRANTS AWARDED DURING THE YEAR**

The grants awarded during the year were for projects as follows:

	2018 £	2017 £
Donald Murray	-	2,000
Drifting Apart Viking project	9,170	-
Eshaness Lighthouse	750	-
J Ballantyne	-	5,000
Mapping Shetland Archaeology	-	1,000
Project Development	12,000	12,000
Property acquisition	10,500	15,000
SAT Salary Uplift	8,820	-
Shetland Amenity Trust - FTV	-	2,525
Shetland Boat Building	9,500	9,500
Shetland Boat Week	-	9,386
Shetland Moving Image Archive	-	1,020
Stonework repairs	5,875	-
University of Leeds	-	500
Viking Unst	-	15,000
Walls Methodist Church	-	2,000
Wool Week	5,000	5,000
	<u>61,615</u>	<u>79,931</u>

All grants were paid to institutions.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**12 INTANGIBLE FIXED ASSETS**

	<u>Group</u>			<u>Charity</u>		
	<u>Museum &amp; Archives Branding</u>	<u>Glass Recycling Patent</u>	<u>Total</u>	<u>Museum &amp; Archives Branding</u>	<u>Glass Recycling Patent</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>COST</u>						
At 31st March 2017	34,746	300	35,046	34,746	300	35,046
At 31st March 2018	34,746	300	35,046	34,746	300	35,046
<u>AMORTISATION</u>						
At 31st March 2017	34,746	300	35,046	34,746	300	35,046
At 31st March 2018	34,746	300	35,046	34,746	300	35,046
<u>NET BOOK VALUE</u>						
At 31st March 2017	-	-	-	-	-	-
At 31st March 2018	-	-	-	-	-	-

**13 TANGIBLE FIXED ASSETS GROUP AND CHARITY**

	<u>Heritable Property</u>	<u>Long Leasehold Property</u>	<u>Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>COST OR VALUATION</u>					
At 31st March 2017	15,255,837	600,000	2,853,699	221,508	18,931,044
Additions	-	-	40,325	21,830	62,155
Disposals	-	-	( 90,849)	( 51,862)	( 142,711)
Revaluations	( 3,038,337)	( 50,000)	-	-	( 3,088,337)
At 31st March 2018	12,217,500	550,000	2,803,175	191,476	15,762,151
<u>DEPRECIATION</u>					
At 31st March 2017	-	20,934	2,536,154	173,819	2,730,907
Charge for Year	136,437	9,114	89,272	25,188	260,011
Disposals	-	-	( 78,831)	( 51,747)	( 130,578)
Revaluations	-	( 24,423)	-	-	( 24,423)
At 31st March 2018	136,437	5,625	2,546,595	147,260	2,835,917
<u>NET BOOK VALUE</u>					
At 31st March 2018	12,081,063	544,375	256,580	44,216	12,926,234
At 31st March 2017	15,255,837	579,066	317,545	47,689	16,200,137

All fixed assets are used directly for charitable purposes.

The Museum & Archives Collections remain the possession of the Shetland Islands Council and as such are not included by the Trust. All additions to the collections are paid directly from Shetland Islands Council funding through our service level agreement with them.

The net book value of tangible fixed assets pledged as security detailed in note 21, is £592,000. Should the building at Garthspool, included within Leasehold Property above, with a net book value of £544,375, be sold or transferred, any proceeds from such a transaction are immediately payable to the Shetland Charitable Trust in accordance with grant documentation accepted on 14th May 1999.

All Heritable and Leasehold property was revalued at 30 September 2017 by FG Burnett Ltd, independent valuers not connected with the charity on the basis of Fair Value. The valuations have been prepared in accordance with the contents of the RICS Valuation - Professional Standards UK July 2017 and specifically the appropriate basis of valuation under the Financial Reporting Standards (FRS). The carrying value of those assets revalued that would have been recognised had the assets been carried under the cost model, and the charity's previous accounting policies, totals £15,827,924.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**14 ENDOWMENT INVESTMENTS**

<b>Group and Charity</b>	<b>2018</b>		<b>2017</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Market Value at 31st March		1,377,770		1,231,632
Less: Disposals at opening book value				
Proceeds	397,659		348,891	
Gain on disposals	71,473	469,132	73,892	422,783
		<u>908,638</u>		<u>808,849</u>
Add: Acquisition at cost	195,869		352,538	
(Decrease)/Increase in cash deposits	( 20,222)		15,076	
Net Gains on Revaluation	29,628	205,275	201,307	568,921
Market Value at 31st March		<u><u>1,113,913</u></u>		<u><u>1,377,770</u></u>

**ANALYSIS OF INVESTMENTS**

	<b>Market</b>	<b>Cost</b>	<b>Market</b>	<b>Cost</b>
	<b>Value at</b>	<b>Analysis at</b>	<b>Value at</b>	<b>Analysis at</b>
	<b>31.03.18</b>	<b>31.03.18</b>	<b>31.03.17</b>	<b>31.03.17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed and Variable Interest Securities:				
UK Fixed Interest	190,909	193,436	303,687	287,076
UK Equities	491,615	489,974	599,623	542,718
European Equities	49,899	42,109	49,774	42,109
Far East & Australian Equities	56,585	47,622	56,432	47,622
International Equities	157,473	158,924	139,076	118,801
Emerging Economies	29,555	28,272	29,210	28,272
Property Funds - listed	70,629	79,840	84,251	74,146
Alternative assets	55,853	6,363	84,091	80,485
Accrued interest	-	-	9	-
Funds on Deposit - unlisted	11,395	11,395	31,617	31,617
	<u><u>1,113,913</u></u>	<u><u>1,057,935</u></u>	<u><u>1,377,770</u></u>	<u><u>1,252,846</u></u>

The investments are held primarily for investment return.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**15 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS**

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Value as at 31st March 2018	5,600	5,600	5,601	5,601
Value as at 31st March 2017	5,600	5,600	5,601	5,601

The Trust acquired all the shares in Robertsons (Lerwick) Limited (a dormant company) in March 2007 as a means of obtaining the rights to the Wreck of the Oceanic.

The Trust purchased 1 share in its wholly-owned trading subsidiary, Hay's Dock Café Restaurant Ltd (company number: SC324266) when it was incorporated on 23 May 2008 at a cost of £1. This company operates a café/restaurant in the museum owned and run by the Trust. The subsidiary results are consolidated in the group

	Hay's Dock Café Restaurant Limited		Hay's Dock Café Restaurant Limited	
	31/03/18 £	31/03/17 £	31/03/18 £	31/03/17 £
Turnover	409,934	444,576	18,091	17,962
Cost of Sales	( 153,068)	( 165,951)	( 89,806)	( 78,750)
Gross Profit	256,866	278,625	( 71,715)	( 60,788)
Administration and distribution expenses	( 267,793)	( 303,676)		
Net (Loss)	( 10,927)	( 25,051)		
			Share capital	1
			Profit and loss account	( 71,716)
				( 60,789)
				( 71,715)
				( 60,788)

**16 STOCK**

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Hay's Dock Café Restaurant Ltd stock	3,677	2,370	-	-
Museum Shop Stock	60,873	92,962	60,873	92,962
Heritage Publications Stock	29,590	57,768	29,590	57,768
Sumburgh Head Shop Stock	26,381	51,838	26,381	51,838
	120,521	204,938	116,844	202,568

**17 DEBTORS**

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade Debtors	159,820	126,749	158,988	124,194
Amounts due from group companies	-	-	47,752	41,066
VAT	17,051	-	17,051	-
Prepayments and accrued income	173,598	87,222	173,439	87,222
	350,469	213,971	397,230	252,482

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**18 CASH AT BANK AND IN HAND**

	Note	Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
HDCR bank account		11,835	12,264	-	-
BACS Trade Payments		400	82	400	82
Cash Management Account		-	-	-	-
Telebank Investment Account		700	571	700	571
Euro Account - Follow The Vikings		638,195	244,959	638,195	244,959
Cash in hand		1,519	1,522	1,519	1,522
		<u>652,649</u>	<u>259,398</u>	<u>640,814</u>	<u>247,134</u>

The Follow The Vikings funds are included in the financial statements for completeness. The charity is the custodian trustee of these funds which are applied for and released to partners in the Follow The Vikings programme in line with the terms and conditions of the award from the EU Creative Europe programme. Hence there is also a matching creditor included in note 19.

**19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Note	Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
Bank overdraft		712,988	758,469	712,988	758,469
Trade creditors		229,015	132,433	205,115	120,480
Balance due to Robertsons (Lerwick) Ltd		5,335	-	5,335	-
Accruals and Deferred Income		156,288	137,883	144,423	129,426
Other creditors		34,091	39,294	34,091	39,192
PAYE/NI creditor		34,175	47,137	34,594	40,173
VAT creditor		5,120	60,458	-	51,023
Follow The Vikings creditor	21	638,195	244,959	638,195	244,959
Loans		10,938	10,612	10,938	10,612
		<u>1,826,145</u>	<u>1,431,245</u>	<u>1,785,679</u>	<u>1,394,334</u>

The following liabilities disclosed under creditors falling due within one year are secured by the charity:

Loans	10,938	10,612	10,938	10,612
Bank overdraft	712,988	758,469	712,988	758,469
	<u>723,926</u>	<u>769,081</u>	<u>723,926</u>	<u>769,081</u>

Analysis of movement in deferred income	Group and Charity			
	Opening Balance	Deferred in Year	Released in Year	Closing Balance
	£	£	£	£
Lighthouse and camping bod income prepaid	19,224	30,033 (	19,224)	30,033
RSPB and Scottish Natural Heritage income prepaid	12,630	1,500 (	12,630)	1,500
Loan of Holbein	-	5,000	-	5,000
Interpretive panels for Sletts pathway	-	2,700	-	2,700
Nottingham Lace Project	-	2,285	-	2,285
	<u>31,854</u>	<u>41,518 (</u>	<u>31,854)</u>	<u>41,518</u>

Deferred income is recognised in circumstances where the charity is not yet entitled to the income.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Note	Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
Loans	21	296,548	307,486	296,548	307,486
		<u>296,548</u>	<u>307,486</u>	<u>296,548</u>	<u>307,486</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the charity:

Loans	296,548	318,098	296,548	318,098
	<u>296,548</u>	<u>318,098</u>	<u>296,548</u>	<u>318,098</u>

**21 LOANS**

	Group and Charity					
	Due < One Year	2018 Due > One Year	Total	Due < One Year	2017 Due > One Year	Total
	£	£	£	£	£	£
Eshaness Lighthouse Mortgage	2,000	14,000	16,000	2,000	16,000	18,000
Boat Shed Mortgage	8,938	282,548	291,486	8,612	291,486	300,098
	<u>10,938</u>	<u>296,548</u>	<u>307,486</u>	<u>10,612</u>	<u>307,486</u>	<u>318,098</u>

The Eshaness Lighthouse loan is repayable over 20 years, final repayment due, 1 July 2025, with an interest rate of approx 6%.

The Boat Shed loan is repayable over 5 years, final repayment due 2 March 2021, with a variable interest rate of 4% above base rate.

Standard securities are held by the Clydesdale Bank Plc over 0.5 acres and subjects at Staneyhill Industrial Estate Lerwick, North Staneyhill Industrial Estate Lerwick, Site 3 Cunningsburgh Industrial Estate and the Former Keeper's Residence, Eshaness Lighthouse, Northmavine.

**22 OPERATING LEASES**

Amounts paid by the Trust during the year in respect of operating leases were as follows:

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Operating lease payments	5,619	3,470	5,619	3,470
	<u>5,619</u>	<u>3,470</u>	<u>5,619</u>	<u>3,470</u>

Total future minimum lease payments under non-cancellable operating leases are as follows:

Not later than 1 year	7,000	3,470	7,000	3,470
Later than 1 year and not later than 5 years	15,111	8,307	15,111	8,307
Later than 5 years	-	700	-	700
	<u>22,111</u>	<u>12,477</u>	<u>22,111</u>	<u>12,477</u>

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**23 PENSION SCHEME (GROUP AND CHARITY)**

Shetland Amenity Trust provides pension arrangements to eligible employees through the Shetland Islands Council administered multi employer defined benefits scheme and the related costs are assessed in accordance with the advice of Hymans Robertson LLP, Independent Qualified Actuaries.

The latest formal valuation of the Fund was at 31st March 2017 and this is updated on a triennial basis. A summary of the membership data used and the benefits valued at the latest formal valuation are set out in the formal valuation report. Hymans Robertson LLP has reviewed the most recent full actuarial valuation at 31st March 2017 and has updated it annually at the charity's balance sheet date to reflect current conditions.

Arrangements have been put in place whereby the employer's annual contributions include deficit funding of 2.9% of pensionable payroll costs spread over 20 years.

<b>Assumptions as at</b>	<b>31 March 2018 % per annum</b>	<b>31 March 2017 % per annum</b>
Pension Increase Rate	2.40%	2.40%
Salary Increase Rate	3.02%	4.00%
Discount Rate	2.70%	2.60%
Proportion of employees opting for early retirement	0.00%	0.00%

The discount rate used to place a value on the liabilities is determined by reference to market yields on high quality corporate bonds at the reporting date. The approach adopted by Hymans Robertson to setting the discount rate involved constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

<b>Mortality assumptions</b>	<b>31 March 2018 Years</b>	<b>31 March 2017 Years</b>
Longevity at age 65 for current pensioners		
Men	22.1	22.8
Women	24.0	23.8
Longevity at age 65 for future pensioners		
Men	23.9	24.9
Women	26.1	26.7

**Assets (Employer Share)**

	<b>Percentage</b>	<b>31st March 2018 Fair value of the total plan assets £ 000</b>	<b>Percentage</b>	<b>31st March 2017 Fair value of the total plan assets £ 000</b>
Equities	79.0%	8,233	81.0%	8,583
Bonds	9.0%	938	8.0%	848
Property	12.0%	1,250	11.0%	1,165
Cash	0.0%	-	0.0%	-
	<u>100.0%</u>	<u>10,421</u>	<u>100.0%</u>	<u>10,596</u>

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**23 PENSION SCHEME (Continued)**

<b>Net Pension Asset as at</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£ 000</b>	<b>£ 000</b>
Fair value of Employer Assets	10,421	10,596
Present value of funded liabilities	( 13,406)	( 15,678)
Net (under)/overfunding in funded plans	<u>( 2,985)</u>	<u>( 5,082)</u>
Present value of unfunded liabilities	-	-
Unrecognised past service cost	<u>-</u>	<u>-</u>
Net asset/(liability)	<u>( 2,985)</u>	<u>( 5,082)</u>
Amount in the balance sheet		
Liabilities	( 2,985)	( 5,082)
Assets	<u>-</u>	<u>-</u>
Net Pension (liability)/asset	<u>( 2,985)</u>	<u>( 5,082)</u>
<b>Amounts recognised in the SOFA</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£ 000</b>	<b>£ 000</b>
Current service cost	( 613)	( 514)
Past service cost	( 17)	-
Interest cost	( 136)	( 96)
Plan contributions and benefits paid	324	313
Remeasurements:		
Changes in demographic assumptions	( 57)	-
Changes in financial assumptions	1,141	( 3,584)
Other experience	2,018	-
Return on assets excluding amounts included in net interest	<u>( 563)</u>	<u>1,446</u>
<b>Total</b>	<u>2,097</u>	<u>( 2,435)</u>
<b>Actual return on plan assets</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£ 000</b>	<b>£ 000</b>
Return on assets excluding amounts included in net interest	( 563)	1,446
Interest income on plan assets included in net interest	<u>277</u>	<u>306</u>
Return on plan assets	<u>( 286)</u>	<u>1,752</u>
<b>Reconciliation of defined benefit obligation</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Opening defined benefit obligation</b>	15,678	11,281
Current service cost	613	514
Past interest cost	17	-
Interest cost	413	402
Contributions by members	100	115
Actuarial losses/(gains)	( 1,141)	3,584
Changes in demographic assumptions	57	-
Other experience	( 2,018)	-
Benefits paid	<u>( 313)</u>	<u>( 218)</u>
<b>Closing defined benefit obligation</b>	<u>13,406</u>	<u>15,678</u>



**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**23 PENSION SCHEME (Continued)**

<b>Reconciliation of fair value of employer assets</b>	<b>31 March 2018 £ 000</b>	<b>31 March 2017 £ 000</b>
<b>Opening fair value of employer assets</b>	10,596	8,634
Interest income	277	306
Contributions by members	100	115
Contributions by the employer	324	313
Return on assets excluding amounts included in net interest	( 563)	1,446
Benefits paid	( 313)	( 218)
<b>Closing fair value of employer assets</b>	<u>10,421</u>	<u>10,596</u>

Shetland Amenity Trust estimates that employer's contributions for the year to 31 March 2019 will be approximately £273,000.

Hymans Robertson confirm the figures presented above are prepared only for the purposes of Financial Reporting Standard 102 and have no validity in other circumstances. In particular, they are not relevant for calculations undertaken for funding purposes, for accounting under the International Accounting Standard IAS19, for bulk transfers or for other statutory purposes under LGPS Regulations.

**24 RELATED PARTY TRANSACTIONS**

Shetland Amenity Trust own 100% of the share capital of Hay's Dock Café Restaurant Ltd. Services were provided to the Trust to the gross value of £3,647 (2017: £13,173). At the year end, amounts of £1,314 were owed to the subsidiary (2017: £1,371) and this was included within trade creditors. The Trust also paid for goods and services on behalf of the company, to the gross value of £1,379 (2017: £3,507). At the year end, amounts of £274 were owed from the subsidiary (2017: £598) and this was included within trade debtors.

There is also an inter-group loan from the Trust to the subsidiary of £47,752 (2017: £41,066) at the year end. There are no repayment terms and no loan interest accruing on this loan.



**25 FINANCIAL INSTRUMENTS**

The carrying amount for each category of financial instrument, measured at amortised cost, is as follows:

<b>GROUP AND CHARITY</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Financial liabilities</b>		
Loans payable falling due within 1 year	10,938	10,612
Loans payable falling due between 2 - 5 years	290,548	299,486
Loans payable falling due after 5 years	6,000	8,000
	<u>307,486</u>	<u>318,098</u>

The loan financing is in the form of two secured loans with a fixed interest rate (being 2% and 4% per annum over the Bank's base rate) and are due to finish in July 2025 and March 2021. The total interest paid during the year was £11,349 (2017: £12,313).

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**26 SUMMARY STATEMENT OF FUND MOVEMENTS**

Restricted Funds	Group					TOTAL £
	General Fund	Revaluation Reserve	Shetland Wildlife Fund	Grant Aid Fund	Permanent Grant Fund	
	£	£	£	£	£	
As at 31st March 2017 as restated	4,978	909,290	5,342	158,619	15,518,642	16,596,871
Income	2,852,308	-	-	57,199	-	2,909,507
Expenditure	(2,789,024)	-	-	( 58,615)	-	( 2,847,639)
Other recognised gains or losses in year	-	(3,063,913)	-	-	-	( 3,063,913)
Transfer of Funds between Funds	-	-	( 1,389)	-	( 259,000)	( 260,389)
<b>As at 31st March 2018</b>	<b>68,262</b>	<b>(2,154,623)</b>	<b>3,953</b>	<b>157,203</b>	<b>15,259,642</b>	<b>13,334,437</b>

  

Restricted Funds	Charity					TOTAL £
	General Fund	Revaluation Reserve	Shetland Wildlife Fund	Grant Aid Fund	Permanent Grant Fund	
	£	£	£	£	£	
As at 31st March 2017 as restated	4,978	909,290	5,342	158,619	15,518,642	16,596,871
Income	2,852,308	-	-	57,199	-	2,909,507
Expenditure	(2,789,024)	-	-	( 58,615)	-	( 2,847,639)
Other recognised gains or losses in year	-	(3,063,913)	-	-	-	( 3,063,913)
Transfer of Funds between Funds	-	-	( 1,389)	-	( 259,000)	( 260,389)
<b>As at 31st March 2018</b>	<b>68,262</b>	<b>(2,154,623)</b>	<b>3,953</b>	<b>157,203</b>	<b>15,259,642</b>	<b>13,334,437</b>

The general restricted fund represents funding received for specific projects run by the trust which fall within its charitable objectives.

The Shetland Wildlife Fund was established from compensation monies received following the Braer tanker oil spill in Shetland in 1993. The remainder of the fund was given to the Trust in February 2006 to be distributed to projects which support Shetland Wildlife. A transfer to unrestricted funds has been recognised to reflect the expenditure from this fund.

The Grant Aid Fund was established to offer assistance to heritage related projects of exceptional quality which accord with the objects of the Trust Deed. Funding is generated from Investment Interest from the Endowment Fund.

The Permanent Grant Fund has been established to record funding of a capital nature. A transfer is made from this fund to show the amortisation of such funding over the expected useful lifetimes of the capital assets to which the specific grants relate. This transfer is made to unrestricted reserves to coincide with the recognition of the depreciation of assets.

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**26 SUMMARY STATEMENT OF FUND MOVEMENTS CONTINUED**

**Group and Charity**

<b>Endowment Fund</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Grants received to 31.03.17	800,000	800,000
Net recognised gains and losses on investments brought forward	577,770	431,632
Realised (losses) on investments during year	( 93,485)	( 55,169)
Transfer of funds to general unrestricted fund	( 200,000)	-
Unrealised gains/(losses) on revaluation of investments at year end	<u>29,628</u>	<u>201,307</u>
	313,913	577,770
As at 31st March 2018	<u><u>1,113,913</u></u>	<u><u>1,377,770</u></u>

**Unrestricted Funds**

	<b>Group</b>			
	<b>General Fund</b>	<b>Capital on Formation</b>	<b>Pension Fund</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 31st March 2017 as restated	( 1,451,559)	1	( 5,082,000)	( 6,533,558)
Income	1,308,772	-	-	1,308,772
Expenditure	( 1,719,260)	-	-	( 1,719,260)
Other recognised gains or losses in year	-	-	2,097,000	2,097,000
Transfer of Funds between Funds	460,389	-	-	460,389
	-	-	-	-
<b>As at 31st March 2018</b>	<u><u>( 1,401,658)</u></u>	<u><u>1</u></u>	<u><u>( 2,985,000)</u></u>	<u><u>( 4,386,657)</u></u>

**Unrestricted Funds**

	<b>Charity</b>			
	<b>General Fund</b>	<b>Capital on Formation</b>	<b>Pension Fund</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 31st March 2017 as restated	( 1,390,770)	1	( 5,082,000)	( 6,472,769)
Income	903,094	-	-	903,094
Expenditure	( 1,302,655)	-	-	( 1,302,655)
Other recognised gains or losses in year	-	-	2,097,000	2,097,000
Transfer of Funds between Funds	460,389	-	-	460,389
	-	-	-	-
<b>As at 31st March 2018</b>	<u><u>( 1,329,942)</u></u>	<u><u>1</u></u>	<u><u>( 2,985,000)</u></u>	<u><u>( 4,314,941)</u></u>

The transfer of funds into General Unrestricted Funds is represented as follows:

- £200,000 transferred from the Endowment Funds as authorised by trustees;
- £259,000 transferred from the Permanent Grant Fund to reflect the amortisation of capital funds as noted above; and
- £1,389 transferred from The Shetland Wildlife Fund to reflect the appropriate expenditure in this fund.

Historically, all funds were classified as restricted. On review of the different funding streams, an exercise has been conducted to restate opening balances and prior year comparatives to correctly classify funds as restricted or unrestricted. Overall, there has been no change in the total level of reserves held by the charity in the prior year, however, the opening position now shows:

**Group:**

Total restricted funds, including that from the Endowment Fund, of £17,974,641 (previously £10,124,101) and unrestricted funds of (£6,533,558) (previously £nil).

**Charity:**

Total restricted funds, including that from the Endowment Fund, of £17,974,641 (previously £10,124,101) and unrestricted funds of (£6,472,769) (previously £nil).

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**27 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 March 2018 are represented by;	Group			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Fixed Assets	( 192,688)	13,118,922	-	12,926,234
Investments	5,600	-	1,113,913	1,119,513
Current Assets	181,979	941,660	-	1,123,639
Current Liabilities	( 1,100,000)	( 726,145)	-	( 1,826,145)
Long Term Liabilities	( 3,281,548)	-	-	( 3,281,548)
<b>Total Net Assets</b>	<b>( 4,386,657)</b>	<b>13,334,437</b>	<b>1,113,913</b>	<b>10,061,693</b>

Fund balances at 31 March 2017 are represented by;	Group			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Fixed Assets	( 227,795)	16,427,932	-	16,200,137
Investments	5,600	-	1,377,770	1,383,370
Current Assets	197,182	481,125	-	678,307
Current Liabilities	( 1,119,059)	( 312,186)	-	( 1,431,245)
Long Term Liabilities	( 5,389,486)	-	-	( 5,389,486)
<b>Total Net Assets</b>	<b>( 6,533,558)</b>	<b>16,596,871</b>	<b>1,377,770</b>	<b>11,441,083</b>

Fund balances at 31 March 2018 are represented by;	Charity			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Fixed Assets	( 192,688)	13,118,922	-	12,926,234
Investments	5,601	-	1,113,913	1,119,514
Current Assets	213,231	941,660	-	1,154,891
Current Liabilities	( 1,059,537)	( 726,145)	-	( 1,785,682)
Long Term Liabilities	( 3,281,548)	-	-	( 3,281,548)
<b>Total Net Assets</b>	<b>( 4,314,941)</b>	<b>13,334,437</b>	<b>1,113,913</b>	<b>10,133,409</b>

Fund balances at 31 March 2017 are represented by;	Charity			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Fixed Assets	( 227,795)	16,427,932	-	16,200,137
Investments	5,601	-	1,377,770	1,383,371
Current Assets	221,059	481,125	-	702,184
Current Liabilities	( 1,082,148)	( 312,186)	-	( 1,394,334)
Long Term Liabilities	( 5,389,486)	-	-	( 5,389,486)
<b>Total Net Assets</b>	<b>( 6,472,769)</b>	<b>16,596,871</b>	<b>1,377,770</b>	<b>11,501,872</b>

**SHETLAND AMENITY TRUST**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2018**

**28 CASHFLOW STATEMENT**

<b>(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net (expenditure) for the reporting period (as per the statement of financial activities)</b>	( 3,476,390)	( 305,707)
<b>Adjustments for:</b>		
Depreciation	260,011	315,650
Losses/(Gains) on disposal of fixed assets	884	( 8,764)
Losses/(Gains) on investments	41,845	( 127,415)
Loss on revaluation of fixed assets	3,063,913	-
Dividends and interest from investments	( 57,220)	( 60,450)
Interest paid	11,349	11,713
Decrease in stock	84,417	32,991
(Increase)/decrease in debtors	( 52,820)	135,903
Increase/(decrease) in creditors	349,691	( 364,649)
<b>Net cash provided by (used in) operating activities</b>	<u>225,680</u>	<u>( 370,728)</u>
 <b>(b) Analysis of cash and cash equivalents</b>		
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	652,649	259,398
Overdraft facility repayable on demand	( 712,988)	( 758,469)
Cash fund held in investment portfolio	<u>11,395</u>	<u>31,617</u>
	<u>( 48,944)</u>	<u>( 467,454)</u>

Included within the cash in hand balance is an amount of £638,195 (2017: £244,959) held on behalf of the Follow The Vikings project and as such is unavailable for use to further the Trust's charitable activities. See note 18 for further details.