

**Voluntary Action Shetland**  
(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

for the year ended

31 March 2017

# VOLUNTARY ACTION SHETLAND

## Chair's Report

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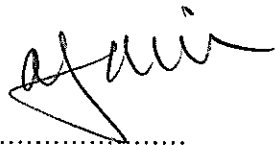
This is my third and final annual report , this being the last year of my permitted term of office and I am pleased to record that Voluntary Action Shetland (VAS) and the third sector tenants of Market House continue to have increased demand for their services and this is demonstrated by the following key highlights :-

- ❖ Volunteer numbers, with positive outcomes, have increased as demonstrated by the record level of Saltire and Youth Volunteer Awards.
- ❖ 50 voluntary sector organisations now use VAS's affordable independent checking of accounts to OSCR standards.
- ❖ Continuing interest from third sector groups for VAS's support and advice, particularly the formation of SCIOs (Scottish Charitable Incorporated Organisations); this year we have assisted 29 third sector groups. It is anticipated that this demand will increase as the Community Empowerment (Scotland) Act 2015 is implemented.
- ❖ The Befriending Scheme continues to apply for external funding and has received funding from Life Changes Trust, Robertson Trust and Children in Need; this all assists keeping this vital service available to the community.
- ❖ The OPEN Peer Education Project continues to deliver a unique service in partnership with NHS Shetland and Shetland Islands Council; this year they have delivered workshops in schools and 682 young people have benefited from these.
- ❖ VAS achieved renewal of its European Framework for Quality Management Award in June 2016; this is valid for two years.
- ❖ The New Shetlander magazine reached the grand old age of 70 this year, one of the oldest dialect magazines in Scotland.

While the above achievements are worthy of celebration, we must also be aware of the challenges that lie ahead for VAS staff and the third sector in general, These include reduced funding on all avenues and the ever increasing competition for funding from sources such as the lottery.

The VAS staff, ably led by our Executive Officer Catherine Hughson, have delivered outstanding, award winning projects that have contributed to a successful year. I thank them all for their commitment and professionalism.

I must also acknowledge and thank the VAS board members for their willing support to the organisation.



.....  
A Miller  
Chairman

20 June 2017

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **OBJECTIVES AND ACTIVITIES**

The company's objects and principal activities are:

- To promote any charitable purposes for the benefit of the inhabitants of Shetland and in particular the advancement of education, and furtherance of health and the relief of poverty, distress and sickness.
- To promote and organise co-operation in the achievement of the above purposes and to that end bring together Council representatives of the statutory authorities and third sector organisations engaged in the furtherance of the above purposes within Shetland.
- To do all other things as will properly attain the above purposes.

### **Voluntary Action Shetland Mission Statement**

Voluntary Action Shetland seeks to respond to and support third services in Shetland by meeting present and emerging needs, developing and promoting new ways of responding and encouraging people in Shetland to offer third services to their community.

### **Voluntary Action Shetland's Vision**

Voluntary Action Shetland's vision for Shetland is where all citizens and organisations are empowered and enabled to grow a strong and vibrant community.

- To support the growth, capacity and development of the third sector in Shetland
- To continue to promote volunteering through the Saltire Awards and locally developed schemes
- To utilise the knowledge of the skills and expertise of the third sector to enhance delivery of local services
- To support and encourage the development of social enterprises
- To deliver the outcomes in the An Enterprising Third Sector Action Plan through work with partners
- To continue to be involved in the review of Community Planning locally

The main objectives and activities for the year are to continue to focus on the four core objectives of Voluntary Action Shetland's Work Plan.

- Building the third sector relationship with community planning
- Supporting a strong third sector
- Social enterprise development
- Volunteering development

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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### **Volunteers**

During the year the charity was dependent on volunteers for the continued provision of their services, especially the Shetland Befriending Scheme. A total of 74 volunteers contributed towards the total volunteer hours for the year of 13,896. The estimated monetary value of this is £138,960.

### **Achievements and Performance**

#### **1. Building the third sector relationship with community planning**

VAS is the recognised Interface organisation for Shetland. Each local authority area in Scotland has a Third Sector Interface to support, promote, develop and represent the third sector to assist community groups, third organisations, social enterprises and volunteering. The Interface is a vital connection between the Community Planning Partnership (CPP) and the third sector.

We continue to contribute to the work of the Community Planning Partnership, and have been involved in development of the new Local Improvement Outcomes Plan and are now members of the Integration Joint Board.

Because of the diversity of the Third Sector we assist with the indicators as required from the Local Improvement Outcomes Plan, through representation on various forums and committees, this assists the delivery of services around, localities, community care, children and young people and health.

We have been involved in the development of the Local Improvement Outcomes Plan and the Joint Commissioning Strategy - two new documents that assist in the delivery of services for Shetland.

### **Children Services**

VAS staff have been involved in the Children's Service inspection contributing to a strategic group and the setting up of focus groups to meet with inspectors. We continue to work on the outcomes from that inspection.

**Integrated Children's Service Quality Assurance Group** – we are members of this group. It is responsible for quality improvement and assurance and oversees through self assessment and reports directly to the Integrated Children and Young people Strategic Planning Group.

We continue to support third sector groups with legislation and good governance in relation to PVG disclosures.

### **Older People**

We continue to develop the services for unpaid carers and this year has seen a positive uptake of the various assistance on offer. We have secured funding to enable us to continue the success of the Stepping Out Together group in Yell and develop services on the west side.

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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### **Short Breaks Project**

VAS operated and administered applications from carers for our new round of short break grant funding from Better Breaks. Last year we issued 22 grants totalling £3,300.

At VAS we see first-hand the impact that caring can have and how important it is for carers to receive support and valuable time out for themselves. This could be a trip to see family and friends on the mainland or time to take part in a hobby or relaxation session – anything that awards the carer a break from their caring responsibilities. We hope this break makes carers feel better supported to sustain their caring role.

Providing short breaks for carers and the people they care for is now widely accepted as vital to sustaining the caring relationship and the health and wellbeing of carers. We can offer up to £150 per carer (on production of invoice or receipt), towards their chosen holiday, activity or therapy.

Strategically we continue to facilitate the Carers Link Group, - the multi agency group that leads on the strategic development that supports unpaid carers.

## **2. Supporting a Strong Third Sector**

Through Market House we support the 19 resident organisations on a daily basis and we also provide access to the facilities of Market House for external organisations.

We have assisted organisations predominately within Market House with funding applications to external and internal funders and acted as referees. Successful funding for this financial year is valued at £2,174,073 of which £515,682 was from external agencies, fund raising and donations.

We continue as the business manager for the New Shetlander, the quarterly literary magazine that publishes items of local interest. This magazine is thought to be the oldest literacy magazine in Scotland and thanks must go to the dedicated committee and contributors.

Funding for many organisations continues to be problematic with external funding agencies reporting that most of their funding streams are oversubscribed, plus the reduction in Local Authority funding is now impacting on some of the services delivered through the sector. Red Tape and bureaucracy continues to stifle development within many organisations due to any surpluses continuing to be requested back by local funders even when external funding has been secured.

We continue to represent the interests of the sector on various strategic forums; a full table of representation can be accessed

<http://shetland-communities.org.uk/subsites/vas/representation.htm>

### **Third Sector Forum events**

We continue to facilitate this forum and we are starting a review of how this should work in the future.

An issue was identified by the Shetland Halls Association regarding water rates exemption. A report was compiled by VAS with information provided by the local halls. This report has been given to Tavish Scott who is working with the Shetland Halls Association to lobby Government regarding these charges that affect 37 halls in Shetland.

VAS assisted organisations with their auto enrolment, giving advice and signposting where necessary.

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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### **Training**

VAS has held several training events including Fire Risk Assessments, First Aid, Cyber Crime and NPS. These have been well attended with 23 workshops being delivered to 247 volunteers.

### **SCIO (Scottish Charitable Incorporated Organisation)**

VAS continues to support organisations to change status to a SCIO and we have assisted 29 this year. One of the main reasons for transferring to a SCIO is to limit liability for the trustees, helping to sustain the organisations for the future.

We continue to be the registered body for Disclosure Scotland to provide a service for voluntary organisations in Shetland to administer their applications to the PVG Scheme. VAS has 116 community groups registered for this service and processed 150 PVGs.

### **Association of Charities Independent Examiners**

All Third Sector groups need to have their accounts checked to make sure their finances are managed properly and running smoothly and all registered charities are required to file accounts and returns with OSCR. VAS has 5 members of staff who have gained their membership of the Association of Independent Charity Examiners (ACIE) and are qualified to carry out independent examinations of voluntary organisations and charities with an income less than £100,000 and help them meet their legal requirements. VAS undertook 50 independent examinations in the year.

### **3. Social Enterprise**

We continue to support Social Enterprise with meetings and bulletins, and work closely with HIE as required to assist with information and signposting.

We are partners on the Local Action Group, part of the decision process to award funding through the LEADER and Convergence funds.

### **4. Volunteering**

We continue to publish the Voluntary Voice leaflet three times a year. Unfortunately we have decided to stop doing the Voluntary Voice for the coming year; instead we are working in partnership with Shetland News to showcase many of the activities not only by VAS but by the Third Sector as a whole. The Third and Independent Sector Partnership administered by Voluntary Action Shetland circulates information on various issues to organisations.

We have provided information to 1,442 volunteers, 107 have had an annual review completed, 35 currently assist with befriending activities, and 252 have received information on Saltire. There are currently 635 organisations registered with VAS and have 104 locally registered opportunities for volunteers with a few more registered nationally.

The 7<sup>th</sup> annual Shetland Youth Volunteer Awards took place at a civic reception hosted by the Vice Convenor of Shetland Islands Council at Mareel in Lerwick (a change from the usual Town Hall venue which is currently being renovated). The event was attended by over 100 nominees, nominators and guests.

During a revamped and hopefully more simplified nomination process, the planning committee were delighted to announce that 31 nominations from across Shetland had been received in the three awards categories, 7 Organisations, 10 One Team (groups of volunteers) and 14 Individual volunteers.

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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More so than ever the committee were keen to stress that the quality of nominations this year had made the decision process in every category extremely difficult. Often only a single vote separated the top 2 or 3 candidates with the One Team category proving particularly close between all of the shortlisted nominees.

Shetland Junior Netball Development Group was announced the winners in the Organisation Category. RSPB Young Volunteers were announced winners of the "One Team" award and Thomas Hawick, a volunteer with Disability Shetland and 4 times SYVA shortlisted Nominee was announced the overall winner of the Individual category.

Following the event both Thomas and RSPB Shetland were nominated by the SYVA Committee for the 2017 Young Scot Awards and were delighted to find out on the 26<sup>th</sup> March 2017 that RSPB Young volunteers were one of 3 Shortlisted nominees in the in the Environmental Category at the awards which took place on the 27th April 2017.

The 5<sup>th</sup> annual Shetland Saltire Youth Volunteering Awards took place at Mareel in Lerwick on Tuesday the 28<sup>th</sup> March 2017. 159 young volunteers aged between 12 and 25 submitted certificate requests this year ranging from 10 to 500 hours of volunteering which they obtained by volunteering with 70 different local organisations, groups, initiatives and schools.

The ceremony was attended by 80 young volunteers and 110 of their guests and volunteer supervisors. This year, young volunteers collectively completed a record 22,780 hours of volunteering in Shetland just over 1,000 hours more than last year's record.

Research suggests that over 70% of young people in Shetland are thought to participate in at least one volunteering activity each year, this is in comparison to the national average of around 49% and volunteering as a whole in Shetland contributes roughly £15.5 million, per the Volunteer Scotland website, to the local economy each year.

There are now 949 young volunteers registered to participate in Saltire Awards in Shetland this is over 100 more than last year and almost double the number of registered volunteers in 2014.

Voluntary Action Shetland was delighted to officially unveil 7 new Saltire Youth Volunteering Ambassadors in 2016. The team of Ambassadors are representative of the local area with a mixture of volunteering experiences and geographic spread, their key role is to identify, create and enhance volunteering opportunities in their local schools and communities and to encourage young people to become more engaged with local volunteering opportunities which should hopefully in turn promote sustainable volunteering in the community. The young ambassadors with their knowledge of their local communities help VAS to be more pro-active in supporting the numerous fantastic opportunities in our local communities.

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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### **FINANCIAL REVIEW**

Voluntary Action Shetland continues to research funding streams. It is important to get on to three year funding models to ensure sustainability of the company. We continue to source funding for specific pieces of work but it is becoming more difficult to source funding for core costs. Nevertheless, Voluntary Action Shetland with the aid of sound financial management and the support of staff and board members has a very positive financial outcome for this financial year.

Voluntary Action Shetland is part of a government review into Third Sector Interfaces – this is to conclude in October 2017, dependent on the outcome of this review this could have either a positive or negative effect on funding received from government going forward into 2018/19.

Once the outcome of this review is complete The Trustees will review the current work plan and finances and take the necessary steps to ensure financial sustainability of Voluntary Action Shetland.

### **Principal Funding Sources**

Revenue Funding is received from Scottish Government, Shetland Charitable Trust and Shetland Islands Council. External funding for projects includes The Robertson Trust, Big Lottery, Children In Need, Shared Care Scotland, Life Changes Trust, STV and Volant Trust.

### **RESERVES AND GOING CONCERN POLICY**

The directors have examined the charity's requirements for reserves in light of the main risks to the organisation. They have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 3 months of expenditure. Depreciation does not need to be considered as this is covered by amortisation of capital grants which were received to fund the purchase of the assets. Relevant expenditure for 2017 was therefore £719,589 and therefore the target is £179,897 in general funds. The reserves are needed to meet the working capital requirements of the charity and the directors are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of reserves available to the charity of £84,421 therefore falls short of this target level although the strategy is to continue to build reserves through self-generated charitable activities.

The total funds at the year-end were £1,672,376 of which £1,587,955 were restricted. Designated funds of £84,421 were held at the year-end for the purposes described in note 16.

Pension scheme deficits have been shown separately to allow the remaining carry forward balance to be shown. The deficits will only have to be paid over the next ten years and as such will be met through future funding and any necessary cost savings. The remaining carry forward amounts show that there are sufficient resources for the day-to-day requirements of the charity for the foreseeable future.

### **Capitalisation Policy**

Expenditure on furniture and equipment is included in resources expended in the Statement of Financial Activities when incurred. No single equipment purchase with a cost of below £500 is to be capitalised.

### **Plans for the Future**

The company continues to deliver against the targets set by government and we have written a Work Plan for 2017-2018. The core objectives are, volunteering development, social enterprise development, consulting, supporting developing and representing the third sector and collaborating and working in partnership with public and private sector partners to improve the planning and delivery of services by making them more responsive to the needs and aspirations of local communities.



# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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### REFERENCE AND ADMINISTRATIVE DETAILS

Registered Office: Market House, 14 Market Street, Lerwick, Shetland, ZE1 0JP

Charity number: SC017286

Company number: SC165677

### Our advisers

Auditors RSM UK Audit LLP St Olaf's Hall, Church Road, Lerwick, Shetland, ZE1 0FD

Bankers Bank of Scotland 117 Commercial Street, Lerwick, Shetland, ZE1 0DN

### Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

#### Key management personnel: Trustees

A Miller (Chairman)

M Stewart (Vice Chairman)

J Hunter (Finance Director)

L Angus

A Duncan

W Henderson

J Shepherd

K Nauls

#### Company secretary and Executive Officer

Mrs C Hughson

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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

#### **Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on the 15 May 1996 and registered as a charity on 15 May 1996. The charity's Memorandum and Articles of Association established the objects and powers of the charitable company and it is governed under its Articles of Association.

#### **Recruitment and Appointment of Trustees**

The directors of the charity are also charity trustees for the purposes of charity law and under the company's Articles are known as Directors of the Management Board. Under the requirement of the Memorandum of Articles of Association the members of the Management Board shall retire from office at each annual general meeting and are eligible to stand for re-election.

VAS members, either individuals or of organisations, can be considered for appointment as a trustee, they must lodge with the secretary a written notice of his or her willingness to be appointed at any time up to the commencement of the Annual General Meeting.

The Board may at any time appoint any member to be a trustee either to fill a vacancy or as an additional trustee.

#### **Trustee Induction and Training**

New trustees to the board are issued with an induction and procedures manual containing relevant information on the charity, including the Memorandum of Articles of Association, staff information, policy documents and the Annual Report. A meeting of all trustees is called as soon as possible after the Annual General Meeting to introduce new trustees to other board trustees and staff.

#### **Organisational Structure**

Voluntary Action Shetland has a Management Board of up to 9 trustees who meet six times per year. Currently there are 8 trustees from a variety of professional backgrounds, the Executive Officer also attends board meetings but has no voting rights. The Executive Officer is the Company Secretary.

The day-to-day operation and decisions of Voluntary Action Shetland is delegated to the Executive Officer.

The Executive Officer is responsible for the delivery, management and monitoring of all grants awarded to Voluntary Action Shetland and line manages all staff and projects under the umbrella of Voluntary Action Shetland.

Voluntary Action Shetland is one of the 32 Interface Organisations throughout Scotland and we deliver on four key areas for the government. Voluntary Action Shetland is recognised by Shetland Islands Council Community Planning Partnership as the interface organisation for Shetland. A proportion of our funding comes from the Scottish Government to deliver services to the third sector locally.

# VOLUNTARY ACTION SHETLAND

## Trustees' Report

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### **Pay policy for senior staff**

The trustees who are the board of directors, are also the Charity's trustees, and together with the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration or expenses in the year.

The pay of the senior staff is reviewed annually and is set with reference to COSLA pay scales.

### **Risk management**

The trustees confirm that the major risks to which the charity is exposed to have been considered and reviewed. The main risk is financial sustainability. Should this issue arise there is the reserves fund which could be utilised, however it is more likely that services would be reduced.

### **Gift in Kind**

The Shetland Charitable Trust provided us with property maintenance services up to the value of £17,900 for the year.

### **Director Indemnity Insurance**

The charity has taken out indemnity insurance in favour of the directors.

### **Related Parties**

The only significant related party of Voluntary Action Shetland is Shetland Islands Citizens Advice Bureau with whom Voluntary Action have key management personnel in common. Voluntary Action provides the charity with office premises on the same terms as the other resident organisations of Market House.

### **Statement as to disclosure of information to auditors**

The directors who were in office on the date of approval of these financial statements have confirmed they are aware, that there is no relevant information of which the auditors are unaware. Each of the directors confirmed that they have taken all steps that they ought to have taken, as directors, to make them aware of any relevant audit information and to establish that it has been communicated to the auditors.

### **Auditors**

RSM UK Audit LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the small companies regime.

Approved by the Management Board on 20 June 2017 and signed on its behalf by:



A Miller (Chairman)

# Voluntary Action Shetland

## TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The Trustees (who are also the directors of Voluntary Action Shetland for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing those financial statements, the trustees are required to:

- a. select suitable accounting policies and apply them consistently.
- b. make judgements and estimates that are reasonable and prudent.
- c. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business
- d. observe the methods and principles in the Charities SORP
- e. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Independent Auditors' Report to the Trustees and Members of Voluntary Action Shetland

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## **Opinion on financial statements**

We have audited the financial statements of Voluntary Action Shetland for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

## **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

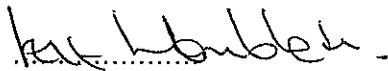
We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

# Independent Auditors' Report to the Trustees and Members of Voluntary Action Shetland

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Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and 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, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Irene Hambleton (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
St Olaf's Hall  
Church Road  
Lerwick  
Shetland  
ZE1 0FD

20 June 2017

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

# Voluntary Action Shetland

## STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)

for the year ended 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	Capital funds £	Total funds 2017 £	Total funds 2016 £
INCOME from:						
Donations	3	-	37,935	-	37,935	20,840
Charitable activities	4	99,618	560,334	-	659,952	758,085
Investments: Bank interest receivable	6	-	4,519	-	4,519	931
Gain on disposal of fixed assets		-	-	-	-	3,052
<b>TOTAL INCOME</b>		<b>99,618</b>	<b>602,788</b>	<b>-</b>	<b>702,406</b>	<b>782,908</b>
EXPENDITURE on:						
Charitable activities	7	178,170	634,495	-	812,665	895,698
<b>TOTAL EXPENDITURE</b>		<b>178,170</b>	<b>634,495</b>	<b>-</b>	<b>812,665</b>	<b>895,698</b>
<b>NET EXPENDITURE BEFORE TRANSFERS</b>		<b>(78,552)</b>	<b>(31,707)</b>	<b>-</b>	<b>(110,259)</b>	<b>(112,790)</b>
Transfers between funds		82,363	8,459	(90,822)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>3,811</b>	<b>(23,248)</b>	<b>(90,822)</b>	<b>(110,259)</b>	<b>(112,790)</b>
Reconciliation of funds:						
Total funds brought forward		80,610	426,989	1,275,036	1,782,635	1,895,425
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>84,421</b>	<b>403,741</b>	<b>1,184,214</b>	<b>1,672,376</b>	<b>1,782,635</b>

The statement of financial activities includes all gains and losses in the year. All income and expenditure derives from continuing activities.

# Voluntary Action Shetland

Company registration no. SC165677

## BALANCE SHEET

As at 31 March 2017

	Notes	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		1,185,533		1,277,843
<b>CURRENT ASSETS</b>					
Debtors	14	22,717		10,095	
Cash at bank and in hand		567,780		629,085	
		<u>590,497</u>		<u>639,180</u>	
<b>CURRENT LIABILITIES</b>					
Creditors falling due within one year	15	(35,427)		(62,330)	
		<u>NET CURRENT ASSETS</u>	555,070	<u>NET CURRENT ASSETS</u>	576,850
<b>TOTAL ASSETS less current liabilities</b>					
			1,740,603		1,854,693
<b>PROVISIONS FOR LIABILITIES</b>					
Pension Liability	11	(68,227)		(72,058)	
		<u>NET ASSETS</u>	1,672,376	<u>NET ASSETS</u>	1,782,635
			=====		=====
<b>THE FUNDS OF THE CHARITY:</b>					
Restricted funds:					
Capital			1,184,214		1,275,036
Income			403,741		426,989
Unrestricted income funds			84,421		80,610
			<u>1,672,376</u>		<u>1,782,635</u>
			=====		=====
<b>TOTAL CHARITY FUNDS</b>	16		1,672,376		1,782,635
			=====		=====

The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 14 to 32 were approved and authorised for issue by the board of directors on 20 June 2017.

A Miller

) Chairman

J Hunter

) Financial Director



# Voluntary Action Shetland

Company registration no. SC165677

## STATEMENT OF CASHFLOWS

for the year ending 31 March 2017

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	Notes	2017 £	2016 £
Cash (used in)/provided by operating activities	18	(65,058)	4,518
Cash flows from investing activities:			
Interest income		4,519	931
Proceeds from sale of property, plant and equipment		-	11,500
Purchase of property, plant and equipment		(766)	-
		<u>          </u>	<u>          </u>
Cash provided by (used in) investing activities		3,753	12,431
		<u>          </u>	<u>          </u>
Cash flows from financing activities		-	-
(Decrease)/ increase in cash and cash equivalents in the year		(61,305)	16,949
Cash and cash equivalents at the beginning of the year		629,085	612,136
		<u>          </u>	<u>          </u>
Total cash and cash equivalents at the end of the year		567,780	629,085
		=====	=====

# Voluntary Action Shetland

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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### 1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as below:

#### (a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Voluntary Action Shetland meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### (b) PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

The charitable company is dependent on the continued support of various funding agencies to fund its future activities. No material uncertainties that may cast significant doubt about the ability of the charitable company to continue as a going concern have been identified by the directors. As a result they have adopted the going concern basis of accounting.

#### (c) FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The capital fund relates to the building and equipment in Market House. The balance is being reduced as the assets depreciate by releasing the grants in line with the depreciation charge on the assets they relate to. This is shown as a transfer between capital funds and restricted funds.

#### (d) TANGIBLE FIXED ASSETS

All fixed assets are initially stated at cost. No single equipment purchase with a cost of below £500 is to be capitalised.

#### (e) DEPRECIATION

Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:

Land and buildings	25 years
Office equipment	3 – 10 years

# Voluntary Action Shetland

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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### 1 PRINCIPAL ACCOUNTING POLICIES (continued)

#### (f) INCOME

Income is included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. The following policies are applied to particular categories of income:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid/payable by the bank.

#### (g) EXPENDITURE

All expenditure is included 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. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT. Expenditure is classified under the following activity heading:

- **Charitable activities** expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### (h) SUPPORT COSTS

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include information technology, depreciation and governance costs which support the charity's activities.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis eg estimated usage or staff time as set out in Note 8.

#### (i) RETIREMENT BENEFITS

##### **Defined contribution plans:**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The liability and expense is allocated to funds based on which project the respective employees are involved in.

##### **Multi-employer plans:**

Contributions are recognised in profit or loss in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the charity will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end. The liability and expense is allocated to funds based on which project the respective employees are involved in.

#### (j) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount pre-paid net of any trade discounts.

# Voluntary Action Shetland

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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### 1 PRINCIPAL ACCOUNTING POLICIES (continued)

#### (k) CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provision are normally recognised at their settlement amount.

#### (l) FINANCIAL INSTRUMENTS

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

#### (m) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The provision for contributions to the pension deficit recovery plan is discounted using a rate which is considered to be a critical accounting estimate. Further details are given at note 11.

# Voluntary Action Shetland

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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### 2 LEGAL STATUS OF THE CHARITY

The organisation is a charitable company limited by guarantee and has no share capital. The country of incorporation is Scotland. The liability of each member is limited to £1.

### 3 DONATIONS

	2017 Restricted	2016 Restricted
	£	£
Gifts	4,665	2,340
Grants (as listed below)	33,270	18,500
	<u>          </u>	<u>          </u>
Donations	37,935	20,840
	<u>=====</u>	<u>=====</u>

In line with the Charities SORP (FRS 102) restricted grants of a general nature which are not conditional on delivering certain levels or volumes of a service are included under donations. These are listed below.

	2017 Restricted	2016 Restricted
	£	£
Restricted income grants:		
The Robertson Trust	27,000	12,000
STV	2,000	2,000
Cash Back for Communities	4,270	4,500
	<u>          </u>	<u>          </u>
	33,270	18,500
	<u>=====</u>	<u>=====</u>

The charity benefits greatly from the involvement and support of its many volunteers, details of which are given in our annual 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.

**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

**4 INCOME FROM CHARITABLE ACTIVITIES**

	Grant income (note 5) £	Other income £	2017 Total £	2016 Total £
Restricted:				
Voluntary Action Shetland	176,329	-	176,329	179,491
Shetland Befriending Schemes	144,567	1,292	145,859	165,598
Market House	34,564	-	34,564	105,784
Volunteering	94,526	1,350	95,876	94,526
Reshaping Care & Carers Strategy	25,612	2,764	28,376	72,850
Other supplementary projects & activities	58,729	20,601	79,330	116,379
	<u>534,327</u>	<u>26,007</u>	<u>560,334</u>	<u>734,628</u>
Unrestricted:				
Voluntary Action Shetland	-	25,624	25,624	22,202
Volunteering	-	1,322	1,322	1,255
Market House	-	72,672	72,672	-
	<u>-</u>	<u>99,618</u>	<u>99,618</u>	<u>23,457</u>
Total income from charitable activities	<u>534,327</u>	<u>125,625</u>	<u>659,952</u>	<u>758,085</u>

The income generated from Market House was included in restricted income in the year ended 31 March 2016. Shetland Charitable Trust (SCT) provides a grant towards the running of Market House and SCT revised their grant-making policy during 2016. After discussion with SCT, the directors believe that the income generated from Market House should now be shown as unrestricted income going forward from 2017 on. Only the SCT grant income is restricted income.

**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

5 GRANT INCOME

	Opening deferred/ (accrued) income £	Received in year £	Closing (deferred)/ accrued income £	2017 Total funds £	2016 Total funds £
Restricted income grants:					
Scottish Government	-	188,000	-	188,000	188,000
Shetland Islands Council	4,667	69,393	(4,643)	69,417	125,000
Shetland Charitable Trust	-	198,779	-	198,779	198,779
Children in Need	1,530	33,142	(2,974)	31,698	18,261
Big Lottery Fund	-	15,138	-	15,138	60,392
Shared care	-	3,604	-	3,604	29,503
Leader Fund	-	-	-	-	(2,237)
North Alliance CPD	-	1,850	-	1,850	-
Voluntary Action Scotland	-	-	-	-	7,500
The Volant Trust Fund	-	4,194	-	4,194	-
Life Changes Trust	-	21,647	-	21,647	-
	<u>6,197</u>	<u>535,747</u>	<u>(7,617)</u>	<u>534,327</u>	<u>625,198</u>

In line with Charities SORP (FRS 102) the grants above are included within charitable income on the basis that they are performance-related grants where the income is conditional on delivering certain levels or volumes of a service as in a service level agreement.

6 INVESTMENT INCOME

	2017 £	2016 £
Interest received - Restricted	4,519	751
Interest received – Unrestricted	-	180
	<u>4,519</u>	<u>931</u>

All of the group's investment income arises from money held in interest bearing deposit accounts.

**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

7 CHARITABLE ACTIVITIES

	Activities Undertaken Directly £	Support costs £	2017 Total £	2016 Total £
Restricted:				
Voluntary Action Shetland	164,588	13,375	177,963	184,811
Shetland Befriending Schemes	153,088	-	153,088	182,180
Market House	34,564	-	34,564	196,047
Volunteering	115,910	51	115,961	99,346
Reshaping Care & Carers Strategy	60,814	-	60,814	60,319
Other supplementary projects & activities	92,105	-	92,105	145,545
	<u>621,069</u>	<u>13,426</u>	<u>634,495</u>	<u>868,248</u>
Unrestricted:				
Voluntary Action Shetland	6,720	-	6,720	23,045
Designated building fund	10,321	-	10,321	4,405
Market House	32,732	128,397	161,129	-
	<u>670,842</u>	<u>141,823</u>	<u>812,665</u>	<u>895,698</u>

8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

Governance and support costs allocated to above activities:

	Governance Function £	General Support £	2017 Total £	2016 Total £
Restricted:				
Voluntary Action Shetland	13,071	304	13,375	11,787
Shetland Befriending Schemes	-	-	-	32
Market House	-	128,397	128,397	130,260
Volunteering	-	51	51	51
Reshaping Care & Carers Strategy	-	-	-	-
Other supplementary projects & activities	-	-	-	6
	<u>13,071</u>	<u>128,752</u>	<u>141,823</u>	<u>142,136</u>



Voluntary Action Shetland  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the year ended 31 March 2017

8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS (continued)

	2017	2016
	£	£
The governance costs of the charity consist of:		
Audit and accountancy fees (see note 9)	12,390	11,476
Meeting expenses	681	199
	<u>13,071</u>	<u>11,675</u>
	=====	=====

9 NET INCOME/ (EXPENDITURE) FOR THE YEAR

This is stated after charging:

Auditors' remuneration (including VAT):

Audit fees	7,500	7,410
Accountancy services	4,890	4,066
Depreciation of tangible fixed assets:		
- Owned assets (note 13)	93,076	93,059
	<u>93,076</u>	<u>93,059</u>
	=====	=====

10 ANALYSIS OF STAFF COSTS TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

Wages and salaries	431,708	455,333
Social security costs	34,472	36,181
Pension costs	30,436	32,325
	<u>496,616</u>	<u>523,839</u>
	=====	=====

No directors' emoluments or expenses were paid in the year.

The average monthly number of employees during the year was:

	Number	Number
Management	5	5
Administration	4	2
Project workers	13	17
Manual	3	3
Total	<u>25</u>	<u>27</u>
	==	==

The corresponding full-time equivalent average number was:

	Number	Number
Management	3	5
Administration	2	2
Project workers	9	7
Manual	1	1
Total	<u>15</u>	<u>15</u>
	==	==

# Voluntary Action Shetland

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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### 10 ANALYSIS OF STAFF COSTS TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

There were no employees whose emoluments for the year were greater than £60,000.

The key management personnel of the charity comprise the trustees, the executive officer and the team leader. The total employee benefits of the key management personnel were £95,046 (2016 - £86,054).

### 11 RETIREMENT BENEFITS

The charity participates in a defined contribution pension scheme ("NOW: Pensions" scheme) for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The contributions payable by the charity charged to income and expenditure amounted to £10,088 (2016: £6,893). Contributions totalling £1,069 (2016: £774) were payable to the fund at the year end and are included in creditors.

#### **SCHEME: The Pensions Trust – The Growth Plan**

Certain employees of the charity are members of the above scheme. The charity participates in this scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

#### **Deficit contributions**

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From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

11 RETIREMENT BENEFITS (continued)

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**Present value of provisions:**

	£
31 March 2017	68,227
31 March 2016	72,058
31 March 2015	66,982

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2017 £	2016 £
Provision at start of period	72,058	66,982
Unwinding of the discount factor (interest expense)	1,409	1,095
Deficit contribution paid	(7,362)	(8,080)
Remeasurements - impact of any change in assumptions	2,122	(1,126)
Remeasurements - amendments to the contribution schedule	-	13,187
Provision at end of period	68,227	72,058

INCOME AND EXPENDITURE IMPACT

	2017 £	2016 £
Interest expense	1,409	1,095
Remeasurements – impact of any change in assumptions	2,122	(1,126)
Remeasurements – amendments to the contribution schedule	-	13,187
Costs recognised in income and expenditure account	20,348	25,432

**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

11 RETIREMENT BENEFITS (continued)

**Assumptions:**

	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate of discount	1.32	2.07	1.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA rated corporate bond yield curve to discount the same recovery plan contributions.

12 TAXATION

The Inland Revenue recognises the company as a Scottish charity and it is not liable to Corporation Tax on charitable activities.

13 TANGIBLE FIXED ASSETS	Land & buildings	Office equipment	Total
	£	£	£
<b>COST</b>			
31 March 2016	2,270,547	97,589	2,368,136
Additions	-	766	766
	<hr/>	<hr/>	<hr/>
31 March 2017	2,270,547	98,355	2,368,902
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
31 March 2016	995,511	94,782	1,090,293
Charge for year	90,822	2,254	93,076
	<hr/>	<hr/>	<hr/>
31 March 2017	1,086,333	97,036	1,183,369
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
31 March 2017	1,184,214	1,319	1,185,533
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 March 2016	1,275,036	2,807	1,277,843
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Voluntary Action Shetland  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the year ended 31 March 2017

14 DEBTORS	2017 £	2016 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other debtors	20,590	8,740
Prepayments and accrued income	2,127	1,355
	<u>22,717</u>	<u>10,095</u>
	=====	=====

There were no amounts falling due after more than one year.

15 CREDITORS: amounts falling due within one year	2017 £	2016 £
Trade creditors	922	1,413
Other creditors and accruals	10,560	39,221
Deferred income	7,617	6,197
Pension creditor	4,217	4,609
Short term compensated absences (holiday pay)	12,111	10,890
	<u>35,427</u>	<u>62,330</u>
	=====	=====

There were no amounts falling due after more than one year.

Included within accruals and deferred income is £7,617 (2016 - £6,197) from Children in Need and the Local Authority in relation to future year's funding. These grants have been deferred because they are subject to performance related conditions and do not run concurrent to the accounting year. As the charity is liable to deliver a service in the next year then the corresponding income is deferred until the performance conditions have been met.

**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

16 MOVEMENT IN FUNDS

	At 31 March 2016 £	Incoming resources £	Resources expended £	Transfers	At 31 March 2017 £
<b>Restricted funds:</b>					
<i>Shetland Befriending Schemes:</i>					
SCT Children & Young People 1	3,202	54,418	(47,636)	-	9,984
Young Adults	30,170	18,025	(22,363)	-	25,832
Additional Support Needs	17,982	37,167	(27,703)	-	27,446
Children & Young People 2	64	1,665	-	-	1,729
60+	40,792	32,602	(40,257)	-	33,137
Befriending and Peer support	-	21,647	(15,129)	-	6,518
SCT Voluntary Action Shetland (VAS)	998	91,897	(91,897)	-	998
Scottish Government VAS	-	84,432	(84,432)	-	-
VAS – pension deficit (and holiday pay accrual in 2016)	(38,378)	-	(1,634)	8,459	(31,553)
Community Councils (ASCC)	4,183	13,703	(15,595)	(1,025)	1,266
ASCC – pension deficit (and holiday pay accrual in 2016)	(7,493)	-	(353)	1,025	(6,821)
SCT Market House	8,120	34,564	(34,564)	-	8,120
Volunteering	31,012	95,875	(115,961)	-	10,926
SIC/SLA Disclosures	567	-	(567)	-	-
Children in Need	5,537	-	(2,316)	-	3,221
The New Shetlander	10,644	8,301	(10,728)	-	8,217
Supporting Voluntary Action Development	72,000	3,505	(5,045)	-	70,460
Community Portal	(2,093)	-	-	2,093	-
Supporting Projects	67,201	20,963	6,927	21,597	116,688
Parent Link	42,251	-	(13,343)	-	28,908
North Alliance CPD	3,681	1,850	(1,158)	-	4,373
<i>Carers:</i>					
Carers Centre	2,349	-	-	(2,349)	-
Carers Centre – pension deficit and holiday pay accrual	(3,240)	-	-	3,240	-
Virtual Carers Centre	13,179	-	(10,621)	-	2,558
Carers Strategy	27,677	21,274	(17,549)	(3,312)	28,090
EPiC	42,982	-	(28,263)	(891)	13,828
SCS Joint Project – Carers/ASNBS	-	-	15,844	(15,844)	-
Dementia support	-	2,322	-	-	2,322
Carers short breaks	-	3,604	(3,269)	2,771	3,106
Sibling group	-	-	(16,135)	16,135	-
Sibling group – holiday pay accrual	-	-	(306)	306	-
Stepping out group	-	1,176	(515)	250	911
SCT Building Maintenance	-	17,900	(13,860)	-	4,040
Peer Education	29,606	35,898	(36,067)	-	29,437
Community Transport	23,996	-	-	(23,996)	-
	<u>426,989</u>	<u>602,788</u>	<u>(634,495)</u>	<u>8,459</u>	<u>403,741</u>
Total restricted funds					
Carried forward to page 30	<u>426,989</u>	<u>602,788</u>	<u>(634,495)</u>	<u>8,459</u>	<u>403,741</u>
	=====	=====	=====	=====	=====

**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

16 MOVEMENT IN FUNDS (continued)

	At 31 March 2016 £	Incoming resources £	Resources expended £	Transfers	At 31 March 2017 £
<b>Total restricted funds</b>					
Brought forward from page 29	426,989	602,788	(634,495)	8,459	403,741
	=====	=====	=====	=====	=====
 Capital grants	 1,275,036	 -	 -	 (90,822)	 1,184,214
	-----	-----	-----	-----	-----
 <b>Unrestricted funds:</b>					
Designated VAS	52,759	25,624	(6,720)	(8,459)	63,204
Designated Upgrade	6,957	-	-	-	6,957
Designated Volunteering	7,299	1,322	-	-	8,621
Designated Building	13,595	-	(10,321)	-	3,274
Designated Market House	-	72,672	(161,129)	90,822	2,365
	-----	-----	-----	-----	-----
	80,610	99,618	(178,170)	82,363	84,421
	=====	=====	=====	=====	=====
 Total funds	 1,782,635	 702,406	 (812,665)	 -	 1,672,376
	=====	=====	=====	=====	=====

**Description, nature and purposes of each fund:**

The 6 **Shetland Befriending Schemes** all provide a one-to-one service to young people and young adults and over 60 year olds. Our volunteers support individuals who can benefit from some additional input. This includes Befriending and Peer Support, a new project this year funded by the Life Changes Trust and includes provision of group peer support.

**Voluntary Action Shetland** is the umbrella organisation providing a wide range of services to voluntary organisations in Shetland.

The Association of Shetland **Community Councils** supports all the Community Councils throughout Shetland. The Secretary/Treasurer is based in the Voluntary Action Shetland main office.

**Market House** funds all the day to day costs that occur in keeping Market House in working order.

The **Volunteering** funds the one-stop shop for information and support to the voluntary sector of Shetland.

**Supporting Projects** supports new and embryonic voluntary projects to see if they can go forward and become full projects in their own right. This now includes Community Portal so a transfer was made to cover the deficit brought forward on Community Portal fund of £2,093.

The **Parent Link** fund is used to deliver parenting courses to parents and carers in Shetland.

# Voluntary Action Shetland

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

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### 16 MOVEMENT IN FUNDS (continued)

Other restricted funds consist of: **Children in Need, New Shetlander, Supporting Voluntary Action Development, SIC/SLA Disclosures, North Alliance CPD, Building Maintenance and Peer Education**. These funds all fund the activities as described in their names.

There are a number of funds set up supporting **Carers**.

In the previous year, a joint project between Carers and ASNSBS was completed and underspent funding was accrued to be repaid to Shared Care Scotland. Permission was obtained from the funder to use a portion of this for a new Carers Sibling Group. A corresponding transfer is shown. This Sibling Group was overspent by £291 at the year end and this has been covered by the Carers Strategy project with a transfer shown. The deficit for the Sibling Group holiday pay has been met out of Supporting Projects fund and there is a transfer of £306 for this. There are also agreed transfers between Carers Strategy and Carers Short Breaks and Stepping Out group.

The Carers Centre and Community Transport projects are now complete and the balances of funding have been transferred to the EPiC and Supporting Projects funds respectively.

This year there are new Carers projects shown as new funds. These are Dementia Support (funded by Shetland Islands Council); Carers Short Breaks (funded by Shared Care Scotland); the Sibling Group (mentioned above) and the Stepping Out Group.

The **capital grants** relate to the building and equipment in Market House. The balance is being reduced as the assets depreciate by releasing the grants in line with the depreciation charge on the assets they relate to. This is shown as a transfer between the funds above.

The **designated VAS fund** is to assist and promote new projects and, where necessary, cover funding gaps and any unforeseen circumstances.

The **designated Volunteering** reserve is again to be used to fund the one-stop shop for information support to the voluntary section of Shetland.

The **designated Upgrade** fund has been designated by the directors to fund any future IT upgrade costs. The "**designated Building** fund" has been set up to fund the costs of any repairs or work that needs done to Market House. During the year, £10,321 of expenditure was allocated to this fund.

The **designated Market House fund** is generated from income received providing services at Market House and is to be used to keep Market House in working order.

Following implementation of FRS 102 and the new SORP then additional liabilities have been brought onto the balance sheet for future contributions to address the defined benefit pension deficit. As shown at note 16 this has left two funds in deficit – Voluntary Action Shetland and the Association of Community Councils. The deficits with regards the pension deficit have been shown separately to allow the remaining carry forward balance to be shown. The deficits will only have to be paid over the next ten years and as such will be met through future funding and any necessary cost savings. The remaining carry forwards show that there are sufficient resources for the day-to-day requirements of the charity for the foreseeable future. Transfers have been made to cover cash payments made in the year towards the deficit.

In the year to 31 March 2016, holiday pay accruals were shown in separate funds alongside the pension deficits. The directors now consider the holiday pay accruals should be included in the fund to which the wages relate. Therefore transfers have been made to move the opening balance for holiday pay back into the relevant fund in 2017.



**Voluntary Action Shetland**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2017

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Fund £	2017 Total £	2016 Total £
Tangible fixed assets	-	1,185,553	1,185,533	1,277,843
Cash at bank and in hand	84,421	483,359	567,780	629,085
Other net current liabilities	-	(12,710)	(12,710)	(52,235)
Creditors of more than one year	-	(68,227)	(68,227)	(72,058)
	<u>84,421</u>	<u>1,587,955</u>	<u>1,672,376</u>	<u>1,782,635</u>

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net movement in funds	(110,259)	(112,790)
Add back depreciation charge	93,076	93,059
Add back (gain) on disposal of fixed assets	-	(3,052)
Deduct interest income shown in investing activities	(4,519)	(931)
(Decrease)/ increase in debtors	(12,622)	26,355
(Decrease) in creditors	(26,903)	(3,199)
(Decrease)/ increase in pension provision	(3,831)	5,076
	<u>(65,058)</u>	<u>4,518</u>

19 CONTINGENT LIABILITIES

There are contingent liabilities to pay back any grants received if conditions are breached. The grantors may also ask for money back if they deem too large a surplus has been made.

There are contingent liabilities of £12,000 due to Viking Energy and £1,250 in total between 13 Community Councils should money be received from a community benefit organisation

20 RELATED PARTIES

Catherine Hughson was a director of Shetland Islands Citizens Advice Bureau until she resigned on 22 February 2017. She is also the executive officer of Voluntary Action Shetland.

During the year, Voluntary Action Shetland received £23,820 (2016 - £26,437) for services provided at normal market prices to Shetland Islands Citizens Advice Bureau. £11,520 (2016 - £226) was outstanding at the year end.