

Voluntary Action Shetland
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2016

VOLUNTARY ACTION SHETLAND

Trustees' Report

Chair's report

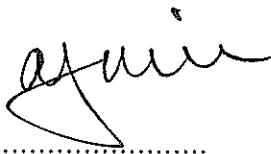
This is the second annual report of my term of office, and I am pleased to record that Voluntary Action Shetland (VAS) and the third sector tenants of Market House continue to have increased demand for their services and this is demonstrated by the following key highlights :-

- ❖ Volunteer numbers, with positive outcomes, have increased as demonstrated by the record level of Saltire and Youth Volunteer Awards.
- ❖ 49 voluntary sector organisations now use VAS's affordable independent checking of accounts to OSCR standards.
- ❖ Continuing interest from local community groups for VAS's charity law advice, particularly the formation of SCIOs (Scottish Charitable Incorporated Organisations). It is anticipated that this demand will increase as the Community Empowerment (Scotland) Act is implemented
- ❖ The Befriending Scheme has celebrated its 15th anniversary – during this time they have supported 437 clients and recruited and trained 308 volunteers
- ❖ The OPEN Peer Education Project continues to deliver a unique service in partnership with NHS Shetland and Shetland Islands Council.
- ❖ Community Mediation achieved their Volunteer Friendly Award
- ❖ VAS achieved the Living Wage Employer accreditation
- ❖ VAS had two of its directors appointed to Shetland's Equality Commission for Tackling Inequalities which reported its findings in March 2016.

While the above achievement are well 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 budgets and the ever increasing competition for funding from sources such as the lottery.

The VAS staff, ably led by our Executive Officer Catherine Hughson, has 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

.....
21 June 2016
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VOLUNTARY ACTION SHETLAND

Trustees' Report

The trustees are pleased to present their annual trustees' report together with the financial statements of the charity for the year ending 31 March 2016 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 purposes of the charity 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 in Council representatives of the statutory authorities and third organisations engaged in the furtherance of the above purposes or any of them 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 service to their community.

Voluntary Action Shetland's Vision

Voluntary Action Shetland 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 continue to focus on the four core objectives of the Voluntary Action Shetland's Work Plan.

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

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 77 volunteers contributed towards the total volunteer hours for the year of 5,986. The estimated monetary value of this is £59,860.

VOLUNTARY ACTION SHETLAND

Trustees' Report

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 Shetland 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 Single Outcome Agreement, 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 assists in the delivery of services for Shetland.

Children Services

Early Years Collaborative (EYC)

VAS staff has been involved in the EYC. The Early Years Framework signified an important milestone in encouraging partnership working to deliver a shared commitment to giving children the best start in life and to improving the life chances of children, young people and families at risk. The objective of the EYC is to accelerate the conversion of the high level principles set out in GIRFEC and the Early Years Framework into practical action. This must deliver tangible improvement in outcomes and reduce inequalities for Scotland's vulnerable children, put Scotland squarely on course to shifting the balance of public services towards **early intervention and prevention** by 2016, sustain this change to 2018 and beyond.

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. The development of a Stepping Out Together group in Yell as a joint project with the Isleshaven Care Centre has been a great success with the evaluation report speaking very positively of the benefits to carers and the cared for. We hope to develop this in other areas in the future.

The Open University Course "Caring Counts". Three carers completed the course which was delivered in partnership with VAS. The course enabled carers to reflect on the skills and attributes they have gained through their caring role and offered them an opportunity to think about their future.

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.

Two new organisations have taken up residency in Market House; they are Victim Support and Rape Crisis Scotland.

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

VOLUNTARY ACTION SHETLAND

Trustees' Report

£2,120,527 of which £548,977 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. The reduction in Local Authority funding is now impacting on some of the services delivered through the sector. 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 at <http://shetland-communities.org.uk/subsites/vas/representation.htm>.

Third Sector Forum events

We facilitated focus groups on Community Planning and the Third Sector. This was facilitated by the Improvement Service and Voluntary Action Scotland as part of the Community Planning Improvement Programme.

Pensions have been high on the agenda for groups and we have provided information and guidance to assist them. The Halls Association requested assistance with insurance and we have researched and provided information.

Members attended a workshop on strategic commissioning and procurement led by the local authority.

Training

We have provided a variety of training which focused this year on legal structures, sustainability and the various legalities associated with running a Third Sector organisation. Seventeen workshops have been provided, being attended by 179 volunteers.

SCIO (Scottish Charitable Incorporated Organisation)

There are now 1,537 SCIO's in Scotland with 25 in Shetland. VAS's development workers have supported all of these organisations through the process and are working with many more. 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 with Disclosure Scotland to provide a service for voluntary organisations in Shetland to administer their applications to the PVG Scheme. VAS has 106 community groups registered for this service and, last year, processed 109 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 49 independent examinations last year.

VOLUNTARY ACTION SHETLAND

Trustees' Report

3. Social Enterprise

We continue to support Social Enterprise. Three meetings and events have been supported by VAS staff, and twelve organisations are engaging in the network.

We continue to support the new Shetland Community Benefit Fund Ltd, through board meetings, various meetings with Viking Energy and Scottish and Southern Energy.

We are partners on the Local Action Group, which is 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 issues per year. The Third and Independent Sector Partnership administered by VAS circulates information on various issues to organisations.

We have provided information to 2,229 volunteers, 136 have had an annual review completed, 42 currently assist with befriending activities, and 294 have received information on Saltire. There are currently 522 organisations registered with VAS and have 116 locally registered opportunities for volunteers with a few more registered nationally.

The 6th annual Shetland Youth Volunteer Awards took place in November 2015. The event was attended by over 80 nominees, nominators and guests. The 3 awards were sponsored by Voluntary Action Shetland, The Rotary Club of Shetland and BP Sullom Voe. This year's nominations were 4 in the organisational category, 6 nominations in the "One Team" category and 11 nominations in the individual volunteer category. Cunningsburgh and District Agricultural Show was announced the overall winners of this year's organisation award. Sandwick Youth Club Dream Team was the winner of the SYVA "One Team" award for groups of young volunteers and Toby Sandison was announced winner of the Individual Award.

In March 2015, The 4th Annual Shetland Saltire awards took place at Mareel. This year 143 young volunteers aged between 12 and 25 submitted certificate requests for over 300 certificates from 10 to 500 hours of volunteering which they obtained by volunteering with a record 75 local organisations, groups and schools.

VOLUNTARY ACTION SHETLAND

Trustees' Report

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, VAS with the aid of sound financial management and the support of staff and board members has managed to minimise the deficit for the year in a challenging economic climate. After taking into account amortisation of capital grants the deficit of revenue funds for the year was £21,968. The going concern position of the charity is considered below.

VAS is part of a government review into Third Sector Interfaces – this is due to conclude in June 2016; the outcome of this review this could have either a positive or negative effect on funding received from government going forward into 2017/18.

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 the financial sustainability of VAS.

Principal Funding Sources

Revenue Funding is received from Scottish Government, Shetland Charitable Trust, Shetland Islands Council. External funding for projects includes Robertson Trust, Big Lottery, Children In Need, Zetland Educational Trust, Coalition of Carers Scotland, Shared Care, STV and North Alliance CPD.

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 2016 was therefore £802,639 and therefore the target is £200,660 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 £80,610 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 £1,782,635 of which £1,702,025 were restricted. Designated funds of £80,610 were held at the year end for the purposes described in note 16.

This year due to the implementation of FRS 102 and the new SORP then additional liabilities have been brought onto the balance sheet for accrued holiday pay and for future contributions to address the defined benefit pension deficit. As shown at note 16 this has left three funds in deficit – VAS, the Association of Community Councils and the Carers Centre. The deficits with regards holiday pay and 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.

There is also a deficit on the Community Portal fund (see note 16) at the year which will be addressed through cost savings in the next financial year.

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.

VOLUNTARY ACTION SHETLAND

Trustees' Report

Plans for the Future

The charity continues to deliver against the targets set by government and we have written a Work Plan for 2016/17. 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

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 Naulls (Appointed 17/09/15)

L Irving (Resigned 16/06/15)

Company secretary and Executive Officer

Mrs C Hughson

VOLUNTARY ACTION SHETLAND

Trustees' Report

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

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.

Director Indemnity Insurance

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

Related Parties

The only significant related party of Voluntary Action Shetland is Shetland Islands Citizens Advice Bureau with whom Voluntary Action have directors 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

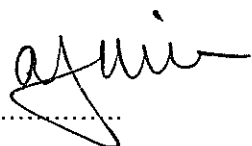
The trustees who were in office on the date of approval of these financial statements have confirmed that as far as they are aware, that there is no relevant information of which the auditors are unaware. Each of the trustees confirmed that they have taken all steps that they ought to have taken, as trustees, 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 was re-appointed as the charitable company's auditor during the year and has expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the 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)), and in accordance with the small companies regime.

Approved by the Management Board on 21 June 2016 and signed on its behalf by:



.....
A Miller
Chairman

.....
21 June 2016
.....

Voluntary Action Shetland

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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.

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

We have audited the financial statements of Voluntary Action Shetland for the year ended 31 March 2016 on pages 14 to 33. 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").

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.

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.

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.

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 financial statements

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 2016 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 applicable to Smaller Entities; 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).

Opinion on other matter prescribed by the Companies Act 2006

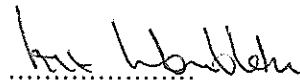
In our opinion the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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 proper and 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 Directors 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



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

21 June 2016

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 2016

	Notes	Unrestricted funds £	Restricted funds £	Capital funds £	Total funds 2016 £	Total funds 2015 £
INCOME from:						
Donations	3	-	20,840	-	20,840	19,715
Charitable activities	4	23,457	734,628	-	758,085	778,729
Investments: Bank interest receivable	6	180	751	-	931	2,238
Gain on disposal of fixed assets		-	3,052	-	3,052	-
TOTAL INCOME		23,637	759,271	-	782,908	800,682
EXPENDITURE on:						
Charitable activities	7	27,450	868,248	-	895,698	956,606
TOTAL EXPENDITURE		27,450	868,248	-	895,698	956,606
NET EXPENDITURE BEFORE TRANSFERS		(3,813)	(108,977)	-	(112,790)	(155,924)
Transfers between funds		-	90,822	(90,822)	-	-
NET MOVEMENT IN FUNDS		(3,813)	(18,155)	(90,822)	(112,790)	(155,924)
Reconciliation of funds:						
Total funds brought forward		84,423	445,144	1,365,858	1,895,425	2,051,349
TOTAL FUNDS CARRIED FORWARD		80,610	426,989	1,275,036	1,782,635	1,895,425

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

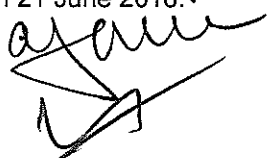
As at 31 March 2016

	Notes	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		1,277,843		1,379,350
CURRENT ASSETS					
Debtors	14	10,095		36,450	
Cash at bank and in hand		629,085		612,136	
			<u>639,180</u>	<u>648,586</u>	
CURRENT LIABILITIES					
Creditors falling due within one year	15	(62,330)		(65,529)	
			<u>576,850</u>	<u>583,057</u>	
NET CURRENT ASSETS					
			<u>1,854,693</u>	<u>1,962,407</u>	
TOTAL ASSETS less current liabilities					
PROVISIONS FOR LIABILITIES					
Pension Liability	11	(72,058)		(66,982)	
			<u>1,782,635</u>	<u>1,895,425</u>	
NET ASSETS					
			<u>1,782,635</u>	<u>1,895,425</u>	
THE FUNDS OF THE CHARITY:					
Restricted funds:					
Capital			1,275,036		1,365,858
Income			426,989		445,144
Unrestricted income funds			80,610		84,423
			<u>1,782,635</u>	<u>1,895,425</u>	
TOTAL CHARITY FUNDS					
	16		<u>1,782,635</u>	<u>1,895,425</u>	

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 33 were approved and authorised for issue by the board of directors on 21 June 2016.*

A Miller



) Chairman

J Hunter

) Financial Director

Voluntary Action Shetland

Company registration no. SC165677

STATEMENT OF CASHFLOWS

for the year ending 31 March 2016

	Notes	2016 £	2015 £
Cash used in operating activities	18	4,518	(65,634)
Cash flows from investing activities:			
Interest income		931	2,238
Proceeds from sale of property, plant and equipment		11,500	-
Purchase of property, plant and equipment (12,000)			-
		————	————
Cash provided by (used in) investing activities		16,949	(75,396)
		————	————
Cash flows from financing activities		-	-
Increase/ (decrease) in cash and cash equivalents in the year		16,949	(75,396)
Cash and cash equivalents at the beginning of the year		612,136	687,532
		————	————
Total cash and cash equivalents at the end of the year		629,085	612,136
		=====	=====

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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) RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of the comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the charity to paid annual leave. The initial liability recognised at the date of the transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £10,894.

At the date of transition in applying the requirement to recognise a liability for contributions arising from an agreement with a multi-employer retirement benefits plan to fund a deficit, a liability was recognised for the present value of future contributions. The initial liability recognised at the date of transition was for £70,201. The liability at 31 March 2015 was £66,982.

No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided. A reconciliation is also provided between the restated deficit to 31 March 2015 under FRS 102 and the deficit as previously stated.

Reconciliation of funds and balances	1 April 2014 £	31 March 2015 £
Fund balances as previously stated	2,132,444	1,973,297
Short-term compensated absences (holiday pay)	(10,894)	(10,890)
Net present value pension contributions	(70,201)	(66,982)
Fund balances as restated	<u>2,051,349</u>	<u>1,895,425</u>
Reconciliation of net expenditure		Year ended 31 March 2015 £
Net outgoing resources as previously stated		(159,147)
Unwinding of discount on pension provision		(1,860)
Remeasurements – impact of change in assumptions		(2,766)
Pension deficit payments in the year		7,845
Reduction in short term compensated absence (holiday pay)		4
Net expenditure as restated		<u>(155,924)</u>

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(c) 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.

(d) 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.

(e) 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.

(f) 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
Motor vehicles	3 years

(g) 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.

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(m) TRANSITION TO FRS 102

The opening fund balances at the date of transition have been restated due to a liability for holiday pay and pension contributions but no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.

(n) 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.

(o) 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 2016

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

	2016 Restricted	2015 Restricted
	£	£
Gifts	2,340	1,815
Grants (as listed below)	18,500	17,900
	-----	-----
Donations	20,840	19,715
	=====	=====

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.

	2016 Restricted	2015 Restricted
	£	£
Restricted income grants:		
Robertson Trust	12,000	12,000
STV	2,000	2,000
Cash Back for Communities	4,500	3,900
	-----	-----
Grants	18,500	17,900
	=====	=====

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 2016

4 INCOME FROM CHARITABLE ACTIVITIES

	Grant income (note 5) £	Other income £	2016 Total £	2015 Total £
Restricted:				
Voluntary Action Shetland	176,329	3,162	179,491	193,294
Shetland Befriending Schemes	164,071	1,527	165,598	177,728
Market House	34,564	71,220	105,784	106,174
Volunteering	94,526	-	94,526	96,444
Reshaping Care & Carers Strategy	70,011	2,839	72,850	29,519
Other supplementary projects & activities	85,697	30,682	116,379	151,751
	<u>625,198</u>	<u>109,430</u>	<u>734,628</u>	<u>754,910</u>
Unrestricted:				
Voluntary Action Shetland	-	22,202	22,202	21,899
Volunteering	-	1,255	1,255	1,920
	<u>-</u>	<u>23,457</u>	<u>23,457</u>	<u>23,819</u>
Total income from charitable activities	<u>625,198</u>	<u>132,887</u>	<u>758,085</u>	<u>778,729</u>

Voluntary Action Shetland
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

5 GRANT INCOME

	Opening deferred/ (accrued) income £	Received in year £	Closing (deferred)/ accrued income £	2016 Total funds £	2015 Total funds £
Restricted income grants:					
Scottish Government	-	188,000	-	188,000	188,000
Shetland Islands Council	4,667	125,000	(4,667)	125,000	104,727
Shetland Charitable Trust	-	198,779	-	198,779	224,053
Children in Need	1,504	18,287	(1,530)	18,261	19,031
Big Lottery Fund	-	60,392	-	60,392	58,389
Shared care	-	29,503	-	29,503	26,168
Leader Fund	(19,337)	17,100	-	(2,237)	13,994
North Alliance CPD	-	-	-	-	3,000
Voluntary Action Scotland	-	7,500	-	7,500	-
	<u>(13,166)</u>	<u>644,561</u>	<u>(6,197)</u>	<u>625,198</u>	<u>637,362</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

	2016 £	2015 £
Interest received - Restricted	751	-
Interest received – Unrestricted	180	2,238
	<u>931</u>	<u>2,238</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 2016

7 CHARITABLE ACTIVITIES

	Activities Undertaken Directly £	Support costs £	2016 Total £	2015 Total £
Restricted:				
Voluntary Action Shetland	173,024	11,787	184,811	201,296
Shetland Befriending Schemes	182,148	32	182,180	202,086
Market House	65,787	130,260	196,047	207,450
Volunteering	99,295	51	99,346	92,768
Reshaping Care & Carers Strategy	60,319	-	60,319	115,285
Other supplementary projects & activities	145,539	6	145,545	112,398
	<u>726,112</u>	<u>142,136</u>	<u>868,248</u>	<u>931,283</u>
Unrestricted:				
Voluntary Action Shetland	23,045	-	23,045	25,323
Designated building fund	4,405	-	4,405	-
	<u>27,450</u>	<u>-</u>	<u>27,450</u>	<u>-</u>
Total expenditure from charitable activities	<u>753,562</u> =====	<u>142,136</u> =====	<u>895,698</u> =====	<u>956,606</u> =====

8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

Governance and support costs allocated to above activities:

	Governance Function £	General Support £	2016 Total £	2015 Total £
Restricted:				
Voluntary Action Shetland	11,675	112	11,787	10,449
Shetland Befriending Schemes	-	32	32	80
Market House	-	130,260	130,260	121,689
Volunteering	-	51	51	187
Reshaping Care & Carers Strategy	-	-	-	4,990
Other supplementary projects & activities	-	6	6	4,634
	<u>11,675</u>	<u>130,461</u>	<u>142,136</u>	<u>142,029</u>

Voluntary Action Shetland
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

8 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS (continued)

	2016 £	2015 £
The governance costs of the charity consist of:		
Audit and accountancy fees (see note 9)	11,476	8,288
Meeting expenses	199	1,629
	<u>11,675</u>	<u>9,917</u>
	=====	=====

9 NET INCOME/ (EXPENDITURE) FOR THE YEAR

This is stated after charging:

Auditors' remuneration (including VAT):		
Audit fees	7,410	7,410
Accountancy services	4,066	878
Depreciation of tangible fixed assets:		
- Owned assets (note 13)	93,059	100,662
	<u>93,059</u>	<u>100,662</u>
	=====	=====

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

Wages and salaries	455,333	445,794
Social security costs	36,181	36,148
Pension costs	32,325	31,411
Pension deficit payment	8,060	7,826
	<u>531,899</u>	<u>521,179</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	2	2
Project workers	20	18
	<u>27</u>	<u>25</u>
	==	==

The corresponding full-time equivalent average number was:

	Number	Number
Management	5	5
Administration	2	2
Project workers	8	11
	<u>15</u>	<u>18</u>

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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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 £86,054 (2015 - £84,753).

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 £6,893 (2015: £6,199). Contributions totalling £774 (2015: £986) 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

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 2016

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 of 2.07%. The unwinding of the discount rate is recognised as a finance cost.

Present value of provisions:

	£
31 March 2016	72,058
31 March 2015	66,982
31 March 2014	70,201

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2016 £	2015 £
Provision at start of period	66,982	70,201
Unwinding of the discount factor (interest expense)	1,095	1,860
Deficit contribution paid	(8,080)	(7,845)
Remeasurements - impact of any change in assumptions	(1,126)	2,766
Remeasurements - amendments to the contribution schedule	13,187	-
Provision at end of period	72,058	66,982

INCOME AND EXPENDITURE IMPACT

	2016 £	2015 £
Interest expense	1,095	1,860
Remeasurements – impact of any change in assumptions	(1,126)	2,766
Remeasurements – amendments to the contribution schedule	13,187	-
Costs recognised in income and expenditure account	25,432	24,974

Voluntary Action Shetland
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2016

11 RETIREMENT BENEFITS (continued)

Assumptions:

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.07	1.74	2.82

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 £	Motor vehicles £	Total £
COST				
31 March 2015	2,270,547	97,589	13,200	2,381,336
Disposals	-	-	(13,200)	(13,200)
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2016	2,270,547	97,589	-	2,368,136
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
31 March 2015	904,689	92,545	4,752	1,001,986
Charge for year	90,822	2,237	-	93,059
On disposals	-	-	(4,752)	(4,752)
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2016	995,511	94,782	-	1,090,293
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
31 March 2016	1,275,036 =====	2,807 =====	- =====	1,277,843 =====
31 March 2015	1,365,858 =====	5,044 =====	8,448 =====	1,379,350 =====

Voluntary Action Shetland
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2016

14	DEBTORS	2016	2015
		£	£
	AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Other debtors	8,740	15,084
	Prepayments and accrued income	1,355	21,366
		<u>10,095</u>	<u>36,450</u>
		=====	=====
	There were no amounts falling due after more than one year.		
15	CREDITORS: amounts falling due within one year	2016	2015
		£	£
	Trade creditors	1,413	1,078
	Other creditors and accruals	39,221	42,715
	Deferred income	6,197	6,171
	Pension creditor	4,609	4,675
	Short term compensated absences (holiday pay)	10,890	10,890
		<u>62,330</u>	<u>65,529</u>
		=====	=====

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

Included within accruals and deferred income is £6,197 (2015 - £6,171) 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 2016

16 MOVEMENT IN FUNDS

	At 31 March 2015	Incoming resources	Resources expended	Transfers	At 31 March 2016
	£	£	£	£	£
Restricted funds:					
<i>Shetland Befriending Schemes:</i>					
Children & Young People 1	(4,691)	54,418	(46,525)	-	3,202
Young Adults	34,585	17,000	(21,415)	-	30,170
Additional Support Needs	18,018	32,286	(32,322)	-	17,982
Children & Young People 2	9,564	1,764	(11,264)	-	64
60+	50,794	60,652	(70,654)	-	40,792
Voluntary Action Shetland (VAS)	3,971	179,491	(182,464)	-	998
VAS – pension deficit and holiday pay accrual	(36,031)	-	(2,347)	-	(38,378)
Community Councils (ASCC)	2,690	13,643	(12,150)	-	4,183
ASCC – pension deficit and holiday pay accrual	(6,986)	-	(507)	-	(7,493)
Market House	7,561	105,784	(196,047)	90,822	8,120
Volunteering	34,151	96,207	(99,346)	-	31,012
SIC/SLA Disclosures	2	1,500	(935)	-	567
Children in Need	8,250	-	(2,713)	-	5,537
The New Shetlander	12,036	9,232	(10,624)	-	10,644
Supporting Voluntary Action Development	70,530	6,929	(5,459)	-	72,000
Community Portal	267	1,000	(3,360)	-	(2,093)
Carers Strategy	22,681	31,441	(26,445)	-	27,677
Supporting Projects	40,510	18,293	8,398	-	67,201
Parent Link	44,509	22,763	(25,021)	-	42,251
North Alliance CPD	5,201	1,246	(2,766)	-	3,681
<i>Reshaping Care:</i>					
Carers Centre	16,636	-	(14,287)	-	2,349
Carers Centre – pension deficit and holiday pay accrual	(3,021)	-	(219)	-	(3,240)
Virtual Carers Centre	32,547	-	(19,368)	-	13,179
Building Maintenance	-	17,900	(17,900)	-	-
Peer Education	20,823	31,250	(22,467)	-	29,606
Community Transport	23,287	15,063	(14,354)	-	23,996
EPIC	37,260	16,409	(10,687)	-	42,982
SCS Joint Project – Carers/ASNBS	-	25,000	(25,000)	-	-
	445,144	759,271	(868,248)	90,822	426,989
Capital grants	1,365,858	-	-	(90,822)	1,275,036
Total restricted funds	1,811,002	759,271	(868,248)	-	1,702,025
	=====	=====	=====	=====	=====
Unrestricted funds:					
Designated VAS fund	53,422	22,382	(23,045)	-	52,759
Designated Upgrade fund	24,957	-	-	(18,000)	6,957
Volunteering	6,044	1,255	-	-	7,299
Designated Building fund	-	-	(4,405)	18,000	13,595
	84,423	23,637	(27,450)	-	80,610
	=====	=====	=====	=====	=====
Total funds	1,895,425	782,908	(895,698)	-	1,782,635
	=====	=====	=====	=====	=====

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

16 MOVEMENT IN FUNDS (continued)

Description, nature and purposes of each fund:

The 5 **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.

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.

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

Other restricted funds consist of: **Children in Need, New Shetlander, Supporting Voluntary Action Development, SIC/SLA Disclosures, North Alliance CPD, Carers Strategy, the Community Portal, Building Maintenance, Peer Education and Community Transport, EPiC, SCS Joint Project, Reshaping Care.** These funds all fund the activities as described in their names.

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. During the year, it was agreed to transfer £18,000 out of this reserve into a new designated reserve, the "**designated Building** fund". This fund has been set up to fund the costs of any repairs or work that needs done to Market House. During the year, £4,405 of expenditure was allocated to this fund. Further spending has been incurred on a cupboard and the full £18,000 has been committed for expenditure.

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

16 MOVEMENT IN FUNDS (continued)

This year due to the implementation of FRS 102 and the new SORP then additional liabilities have been brought onto the balance sheet for accrued holiday pay and for future contributions to address the defined benefit pension deficit. As shown at note 16 this has left three funds in deficit – Voluntary Action Shetland, the Association of Community Councils and the Carers Centre. The deficits with regards holiday pay and 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.

There is also a deficit on the Community Portal fund due to lost funding in the year. The deficit at the year which will be addressed through cost savings in the next financial year.

17 Analysis of net assets between funds

	Unrestricted Fund £	Restricted Fund £	2016 Total £	2015 Total £
Tangible fixed assets	-	1,277,843	1,277,843	1,379,350
Cash at bank and in hand	80,610	548,475	629,085	612,136
Other net current liabilities	-	(52,235)	(52,235)	(18,189)
Creditors of more than one year	-	(72,058)	(72,058)	(66,982)
	<u>80,610</u>	<u>1,702,025</u>	<u>1,782,635</u>	<u>1,906,315</u>

18 Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net movement in funds	(112,790)	(155,924)
Add back depreciation charge	93,059	100,662
Add back (gain)/loss on disposal of fixed assets	(3,052)	563
Deduct interest income shown in investing activities	(931)	(2,238)
Decrease/ (increase) in debtors	26,355	(6,481)
(Decrease)/ increase in creditors	(3,199)	1,003
Increase/ (decrease) in pension provision	5,076	(3,219)
	<u>4,518</u>	<u>(65,634)</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

Voluntary Action Shetland

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

20 RELATED PARTIES

Catherine Hughson is a director of Shetland Islands Citizens Advice Bureau and the executive officer of Voluntary Action Shetland.

During the year, Voluntary Action Shetland received £26,437 (2015 - £30,914) for services provided at normal market prices to Shetland Islands Citizens Advice Bureau. £226 (2015 - £nil) was outstanding at the year end. During the year Shetland Islands Citizens Advice Bureau also provided services to Voluntary Action Shetland totalling £nil (2015 - £nil). There was no amount outstanding at the year end.