



SHETLAND AMENITY TRUST

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

Scottish Charity Number: SC017505

SHETLAND AMENITY TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS	PAGE
Trustees' Report	i
Statement of Trustees' Responsibilities	xii
Independent Auditors' Report to the Trustees	xiii
Consolidated Statement of Financial Activities	1
Charity Only Statement of Financial Activities	2
Consolidated Balance Sheet	3
Charity Only Balance Sheet	4
Consolidated Cashflow Statement	5
Notes to the Financial Statements	6

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

The Trustees present their report along with the financial statements of the Trust for the year ended 31 March 2017. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements and comply with the Trust's trust deed.

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Andrew Blackadder Brian Gregson (Chairman) Alastair Hamilton Derek Jamieson (resigned 17 th August 2016) Edward Knight Ruth Mackenzie (co-opted 11 th May 2016) Frank Robertson George Sutherland Jonathan Wills Brian Wishart (co-opted 11 th May 2016) Vaila Wishart
Acting General Manager/Deputy Manager	Andrew Steven
Principal Office	Garthspool Lerwick Shetland ZE1 0NY
Auditors	The A9 Partnership Limited 47 Commercial Road Lerwick Shetland ZE1 0NJ
Bankers	Clydesdale Bank Plc Commercial Street Lerwick Shetland ZE1 0JJ
Investment Fund Managers	Investec Wealth and Investment Ltd 5 George Square Glasgow G2 1DY
Solicitors	Harper Macleod LLP St. Olaf Hall Lerwick Shetland ZE1 0FD

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

Founding Trust Deed	Registered BC&S on 10 th January 1983
Supplementary Trust Deed	Registered BC&S on 17 th August 1993
Charitable Status	Scottish Charity Number: SC017505
VAT Registration Number	716 8439 12

OBJECTIVES AND ACTIVITIES

Trust Objectives

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

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

Trust Activities

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

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

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

- Identify and work with passionate people to champion Shetland and act as ambassadors to encourage trade, talent, inward investment and tourism.
 - Position and promote Shetland as the geographical, cultural and technological hub between the UK and Scandinavia with a view to encouraging cross-border initiatives which are mutually beneficial for the North Atlantic community.
 - Focus and optimise resources to ensure effective co-ordination and judicious targeting of priorities and to avoid duplication of effort.
4. **Natural Heritage**
- Maintain the Shetland Biological Records Centre to collect, collate, manage and disseminate information about Shetland's flora, fauna, habitats and geology.
 - Raise awareness of, and help safeguard, Shetland's biodiversity and geodiversity.
 - Provide, develop and improve facilities, access and resources for the enjoyment by the public of the Shetland countryside and its flora and fauna.
 - Develop an interpretive centre at Sumburgh Head, focussing on the natural heritage of the area.
 - Maintain Geopark Shetland as part of the European and Global Geopark Networks backed by UNESCO and promote Shetland's rich and varied geology.
5. **Archaeology**
- Curate Shetland's archaeology for the benefit of the public.
 - Develop Shetland's archaeology as a resource for educational purposes and for the enjoyment of the public.
 - Attain UNESCO World Heritage Status for the Shetland Iron Age.
 - Develop a world-class visitor centre at Old Scatness Broch.
6. **Place Names**
- Promote the collection, understanding and use of place names.
 - Record place name evidence from oral and archive sources.
 - Maintain and develop the Shetland Place Name Database.
7. **Architectural Heritage**
- Protect and restore Shetland's architectural heritage to both enhance visual amenity and conserve cultural heritage for the benefit of the public.
 - Promote and support the use of traditional building methods and materials.
8. **Environmental Improvement**
- Enhance the visual amenity and public enjoyment of the countryside.
 - Encourage environmental awareness.
 - Encourage and develop waste minimisation, re-use, anti-litter and recycling strategies.
 - Expand and develop the Trust's glass recycling initiative, Enviroglass.
9. **Woodlands**
- Preserve and develop existing woodland.
 - Conserve, propagate and re-establish native trees and other plants.
 - Create a Shetland Arboretum to foster interest in trees and participate in international conservation strategies.
 - Encourage the use of trees, shrubs and other woodland flora in the Shetland landscape, so that they enhance the environment and are of positive value to people and wildlife, for both present and future generations.

Grant Making Policy

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

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

Voluntary Help

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

ACHIEVEMENTS AND PERFORMANCE

Review of Activities 2016/17

General

Work continued with putting Shetland firmly on the Viking map with involvement in a range of Viking related projects. Prior to his unexpected death in February 2017, the Trust's General Manager was Chairman of the Destination Viking Association. This is a multi-national organisation run on a voluntary basis which is open to museums, academic institutions, commercial enterprises and non-profit organisations who, based on pedagogic principles, present the historic and cultural heritage of the Viking Age. Since June 2012, the Association has been the manager of the Council of Europe's Viking Cultural Route. The Trust's Admin Manager is also Secretary of the Association.

The Trust, acting as lead partner on behalf of 15 partners and 10 associate partners, was successful in securing 50% funding from the EU Creative Europe programme for the €3.92 million "Follow the Vikings" project. Partners fund the remaining 50% through staff time contributions. The project celebrates Viking heritage throughout Europe and has a particular emphasis on creativity and culture, including the creation of a website and an international touring event. There is also an emphasis on training volunteers at a local level and skills exchange. All this will raise the visibility of the Council of Europe's Viking Cultural Route, managed by the Destination Viking Association. Throughout the year, work continued on the production of the project outputs, as well as participation at 3 project seminars in Catoira, Spain; Trelleborg, Denmark; and Shetland, UK.

1. Shetland Museum & Archives

The building received almost 86,000 visitors during 2016/17 enjoying a range of activities linked to Shetland's heritage and culture. Shetland's population is approximately 22,000 and Shetland Museum and Archives continues to be the most popular attraction in Shetland. The building retained a 5-star rating from VisitScotland's Visitor Attraction Assurance Scheme, placing it amongst the top attractions in Scotland.

- i) Museum Service - There continues to be high participation in both the formal education and informal learning programmes. A wide range of events were held within the facility all using the Collections for inspiration.
- ii) Archives Service - The Archives catalogue holds over 100,000 entries.
- iii) Exhibitions - A number of shows were held in Da Gadderie, including exhibitions by local, national and international artists, as well as curated and touring shows. There was also regular changeover of exhibitions in the Focus Display areas. This year also included focus exhibitions celebrating 50 years of the Museum Service and 40 years of the Archive Service.
- iv) Acquisitions - The Shetland Museum & Archives receives large numbers of acquisitions each year, mostly from Shetlanders and expatriates.
- v) Community History - The Trust continued to support an extensive network of community history groups, local museums and the Shetland Heritage Association.
- vi) Marketing - Marketing has continued to highlight the varied spectrum of exhibitions and activities within the facility. Work has also been ongoing on developing and improving the variety of retail products linked to the museum and archives collections.

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

2. Interpretation

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

3. Promote Shetland

Following an open tendering process, the Trust was awarded a 2-year Shetland Islands Council contract to promote Shetland in 2009. This was extended until 31st March 2014. Following a further tendering exercise, the contract was renewed until 31st March, 2017. The tendering exercise for the new contract was underway at the financial year end. Key initiatives throughout the year included Shetland Wool Week; 60 North TV and Online Magazine; live streaming of events over the internet; and working with the NHS to promote Shetland as a vibrant and exciting destination to live, work and study.

The small team continues to work closely with other industries and a growing list of committed and passionate ambassadors for Shetland who are already encouraging the support, development and delivery of consistently high quality products, services and experiences.

4. Natural Heritage

- i) SBRC Database - The total number of records held on the database to just over 290,000.
- ii) Consultation - 130 data/information searches were undertaken for a variety of agencies, voluntary bodies, students, interested members of the public and commercial consultants. 335 planning applications were screened and, of these, 122 required data searches. In just 5 cases it was considered that there was the potential for damage to key biodiversity interests and the appropriate information was passed to the relevant bodies.
- iii) Survey & Consultancy Work - The Centre undertook numerous surveys for consultants throughout the year, relating to a variety of development including wind turbines, electricity cables, gas pipelines, etc. This work is chargeable and funding raised is used to augment budgets and purchase equipment.
- iv) Geopark Shetland - Shetland was officially accepted as a member of the European Geoparks Network in September 2009 during the EGN conference and this was formally acknowledged at the Global Geoparks Conference in Malaysia in April 2011. Following an extremely thorough process to ensure the Geopark is maintaining the standards set by the Network; Geopark Shetland was revalidated in 2013 for another 4 years. Work has commenced on the next revalidation process due in the new financial year.

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

Attempts to extend core funding continue.

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

- v) Ranger Service - The work of this service is driven through a Service Level Agreement with Shetland Islands Council. The Shetland Nature Festival, in partnership with European Geoparks Week, was organised by the Rangers, assisted by other Trust staff.
- vi) Peatland Restoration - It was possible to continue to employ of a project officer on a reduced part-time basis throughout the year. Further funding has just been secured to continue this employment for the next financial year on an increased part-time basis. This has, and will continue to, allow awareness to be raised of blanket bog and its value and to identify suitable areas for blanket bog restoration.

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

5. Archaeology

- i) Viking Congress - Following the 17th Viking Congress held in Shetland in August 2013, the Congress Volume was published during the year.
- ii) Development Control - A key function of the Trust's Archaeology Section is to carry out the Archaeology-related Development Management function for Shetland Islands Council Planning Service, under a Service Level Agreement. Every planning application is monitored by the Section and, increasingly, assistance is being provided to developers and individuals who consult the Trust prior to the submission of their planning applications.
- iii) Old Scatness/World Heritage Status - Old Scatness, Jarlshof and Mousa are on the UK Tentative List for World Heritage Status. Linked, but not dependant on this, is the Trust's aspiration to conserve Old Scatness by providing the site with a roof and walkways and creating a controlled environment, thereby providing year-round visitor access, interpretation and visitor facilities. Work continues with a view to securing funding for this aspiration.

Between mid-May and the end of August, the site was open every Friday to facilitate public access. Customised tours for booked groups were undertaken at other times, including for some cruise ship visitors.

- iv) Viking Unst - The site was staffed 3 days a week during the summer holiday period, with many repeat visitors throughout the summer. Work to complete the replica longhouse at the site is underway.
- v) Sites & Monuments Record - The Record contains more than 8,000 records of the known archaeological sites in Shetland and is consulted regularly by academics, contracting archaeologists and members of the public.

6. Place-Names

- i) Recording - The receipt of valuable information on place names from a variety of sources continued.
- ii) Outreach/School Links - Contact has been maintained with the community including talks to, and interaction with, local history groups.
- iii) Research & Interpretation - Detailed research into the work of 19th century surveyor, A.D. Mathewson of Yell, was undertaken and a talk developed from this. Research enquiries included wart/vord names, skea/skeo place-names, fishing stations, house names and dialect words. Further maps, aerial photographs and information were supplied for a number of Field Studies walks. Research has also been undertaken using the Ordnance Survey Name Books.
- iv) Database Development - Work is ongoing to bring the Shetland Place Names Database in line with other Trust databases and making it accessible online.
- v) Shetland ForWirlds - The Place Names Project Officer continues to represent the Trust on this committee and has participated in its events throughout the year.
- vi) Links with Other Trust Projects - Place-Names and the Place-Names Project Officer continued to play an integral part in various Trust initiatives over the past year.

7. Architectural Heritage

- i) Shetland Heritage Accommodation - The heritage accommodation offered at Bressay and Eshaness Lighthouses and the network of 9 Camping Bōds continues to be extremely popular. Luxury self-catering accommodation at Sumburgh Lighthouse opened from May 2014 and the Occasional Keepers' accommodation is in great demand by 'artists in residence'. Additional artist-in-residence space was created at Bressay Lighthouse.

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

- ii) Boat Building Centre/Accredited Traditional Shetland Boat Building Course - Funding was secured from ERDF (European Rural Development Fund) to assist with the erection of a new store adjacent to the Trust's Stoney Hill site for the storage of the Shetland Museum's Maritime Collection and the creation of a workshop to allow repairs and maintenance to the Collection.

In addition, funding was also secured from the Coastal Communities Fund for the development of an accredited course in traditional Shetland Boat Building and this work is ongoing.

- iii) National Trust for Scotland (NTS) - The Trust has continued to support NTS to develop and assess the feasibility of its proposal for the future use and renovation of Halligarth House and Gardens in Unst.
- iv) Jackville, Binna Ness - Shetland Amenity Trust was contracted to help restore this remote Category B listed building and work has continued throughout the year.
- v) Lerwick Town Hall - Shetland Islands Council appointed the Trust to manage the project to repair the building's external stonework and stained glass windows. Grant funding was secured to allow these works to commence in October 2016 with completion due in summer 2017.
- vi) Other Works - Various other construction works were undertaken throughout the year including refurbishments at Trust properties and third party work.
- vii) Planned Maintenance - The Trust continued to carry out maintenance of its properties.

8. Environmental Improvement

- i) Da Voar Redd Up - The 29th annual spring clean saw approximately 4,500 volunteers from all parts of Shetland take part, making the event the highest supported community clean up throughout the UK, per head of population. Augean North Sea Services sponsored the event and sorted the rubbish, removing plastics, rope and fishing nets for recycling.
- ii) Environmental Improvements - Through the use of several initiatives (mini redd-ups, adopt a beach schemes, remote isles collections, fly-tip and dump closures and environmental improvement squads) the visual amenity and general environment of Shetland has been greatly enhanced.
- iii) Recycling Initiatives - Recycling within Shetland is very well supported by the local community and very large quantities of waste are diverted from landfill through the recycling of aluminium and steel cans, inkjet cartridges, high quality building materials and glass.
- iv) Enviroglass – Following a review of operations and viability, a decision was taken to cease operations. The operation has, however, been leased to a third-party.
- v) Shetland Environmental Awards – Due to the falling number of applications and the loss of the main sponsor, the decision was taken to cancel this year's awards and for them to be held every second year in the future.
- vi) Dunna Chuck Bruck, Litter Prevention & Waste Minimisation - The Trust's overarching anti-litter campaign, Dunna Chuck Bruck, carried out a range of initiatives under this banner highlighting littering and what can be done about it. A lot of work is undertaken with schools including providing advice, workshops, assemblies, class projects and a Dunna Chuck Bruck challenge for schools and youth groups.

Workshops were provided to schoolchildren under the Littoral project and an exhibition presented at the Shetland Museum and Archives.

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

9. Woodlands

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

10. Grant Aid

The Trust awarded £79,931 to 13 projects in line with the Trust's objectives.

Measurement of the Achievement of Aims and Strategies

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

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

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

Funds and Investment Policy and Performance Review

It is the policy of the Trust to maximise the funds and the income derived from them by the employment of external investment managers. There are no restrictions on the Trust's power to invest. Following advice and discussions with the Trust's investment manager, Trustees agreed in June 2016 that the investment policy of the Trust should be geared towards achieving an annual income from the endowment fund of approximately £55,000, whilst still seeking some capital growth.

The Fund Managers managed to achieve an income of £60,384 from the Endowment Fund, during the year.

The value of the investment fund also increased over the year. The balance at the end year was £1,377,770 compared with £1,231,631 at the start, an increase of £146,139. Our Fund Managers will continue to strive to create growth in the Fund.

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

FINANCIAL REVIEW

Annual Accounts

The Trust's income for the year came substantially from grant and service level agreement funding from various bodies, representing 75% of the Trust's overall income.

The Shetland Charitable Trust provides our core funding, supporting our administration and management function in addition to other areas of our core activity. During the year we received £1,281,159 in this respect, representing 31% of our overall income.

The Museum and Archives services were transferred to the Trust in October 2005 from the Shetland Islands Council. The provision of these services by the Trust is funded by the Shetland Islands Council through a service level agreement. Shetland's Museum and Archives building was officially opened on 31st May, 2007 and during this year £913,554 was received for the provision of these services, representing 22% of our overall funding. The Shetland Islands Council also provided funding for other areas of the Trust, the main recipients being Architectural Heritage (£66,526) and Promote Shetland (£394,000).

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

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

The Trust established a wholly owned subsidiary company limited by guarantee, Hay's Dock Café Restaurant Ltd., in May 2007 to cover the restaurant, café and catering activities within the Shetland Museum & Archives. The results for the year saw a loss of £25,051 (2016 loss £942).

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

	£
Administration and Management	559,885
Architectural Heritage	312,395
Museum & Archives Services	970,448
Environmental Improvement	233,228
Promote Shetland	717,826
Planned Maintenance	255,525

Please note that the above figures include both capital and revenue expenditure.

Other expenditure to be noted:

	<u>2016/17</u>	<u>2015/16</u>
Total Employee costs (including pension contributions)	£2,458,940	£2,478,848
Pension contributions	£313,602	£324,047
Expenses paid to Trustees	£2,636	£2,228
Number of Employees	90	88

There were two employees with emoluments greater than £60,000 during the year.

The cost of external audits during the year was £16,390 as detailed in the Accounts.

Trustees are paid an attendance allowance to reimburse them for the cost of their travel to meetings. During the year reimbursements were made to 9 trustees totalling the figure above. Trustees are not remunerated by the Trust.

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

Reserves Policy

The main aim of the reserves policy is to ensure that the Trust holds adequate funds to manage short term volatility in income or liquidity and to maintain its longer sustainability. The policy aims for the Trust to hold enough funds in order to provide adequate working capital levels for the continued operation of the Trust and completion of existing projects. Total funds currently stand at £11,501,872.

Funds in deficit

The overall deficit in the General Fund of £5,558,502 is after recognising the pension reserve liability of £5,082,000 (2016: £2,647,000). During the current year, an increase in the pension liability of £2,435,000 has been experienced. The defined benefit pension funds are controlled by the Shetland Islands Council with triennial review performed by the appointed actuaries. The pension liability is being addressed by deficit recovery contributions. These form part of the certified contribution rates which are agreed on a 3 yearly basis.

Risk Management

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

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

PLANS FOR THE FUTURE

Full details of the Trust's future plans are contained within its Strategic Plan and future projects include:

- Continued development and delivery of a high quality Shetland Museum and Archive service for the benefit of the public, in line with the Service Level Agreement with Shetland Islands Council;
- Continued development of the Heritage Hub concept and improvement of the promotion of community museums and historic sites through the Shetland Museum and Archives.
- Development and delivery of flagship projects at Sumburgh Head and Old Scatness as prime visitor attractions;
- Promoting the Shetland Heritage & Culture brand to a wider audience;
- Development of trail leaflets;
- Development of the Shetland Geopark;
- Completion of Phase I of the Viking Unst project and development of Phase 2;
- Development and delivery of the textile museum project at Voe House, Waas;
- Completion of display and Camping Bōd facilities at Bressay Lighthouse;
- Development of the Hamars project at Haroldswick, Unst;
- Development and promotion of Enviroglass products;
- Contribution to the Open Space Strategy for Shetland;
- Development of the fishing meids database and publish information.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and Organisational Structure

The Trust is an unincorporated Scottish Charity. The Trustees who held office during the financial year and at the date of this report are set out on page i.

The Trust Deed allows for up to 12 Trustees to be appointed. Trustees are appointed for the period of 4 years, when they can stand for re-election. New trustees are appointed by first advertising for interest in the local paper prior to the AGM and invitations for nominations are made to the Shetland

SHETLAND AMENITY TRUST

TRUSTEES' REPORT: YEAR ENDED 31 MARCH 2017

Civic Society, the RSPB, the Association of Shetland Community Councils and the Shetland Field Studies Trust. Nominations must be made on the official nomination form and elections are held by secret postal ballot. These ballots are opened and counted at the Trust's AGM.

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

The Trustees are responsible for the management of the Trust and meet on a monthly basis. The Project Officers appointed by the Trust report at these meetings and decisions are made by the Trustees' majority vote. Details of expenses paid to the trustees are included in the Financial Review section of this report.

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

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

Relationships with Related Parties

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

Auditors

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

Approved by Trustees on 13th September, 2017



Captain George Sutherland
Vice - Chairman and authorised signatory

SHETLAND AMENITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

We have audited the consolidated accounts of Shetland Amenity Trust for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows and the related notes. 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 Financial Reporting Standard 102.

This report is made solely 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 regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and 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 responsibilities, the Trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

SHETLAND AMENITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Matters on which we are required to report by exception

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

- the accounts are not in agreement with the accounting records and returns; or
- sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

..... *The A9 Partnership Limited*

THE A9 PARTNERSHIP LIMITED
Chartered Accountants
Statutory Auditor

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

47 Commercial Road
Lerwick
Shetland
ZE1 0NJ

SHETLAND AMENITY TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31 MARCH 2017

	Note	2017			2016	
		Restricted Funds £	Restricted Grant Funds £	Endowment Funds £	Total Funds £	
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	8,552	-	-	8,552	7,968
Charitable activities	3	3,814,085	-	-	3,814,085	3,868,245
Other trading activities	4	653,927	-	-	653,927	634,966
Investment income	5	60,450	-	-	60,450	58,537
Total income and endowments		4,537,014	-	-	4,537,014	4,569,716
EXPENDITURE ON:						
Raising funds	6	715,119	-	-	715,119	674,812
Charitable Activities	7	4,273,740	-	-	4,273,740	4,297,510
Total expenditure		4,988,859	-	-	4,988,859	4,972,322
Net income/(expenditure) before gains and losses on investments		(451,845)	-	- (451,845)	(402,606)	
Net gains/(losses) on investments	14	-	-	146,138	146,138	(127,495)
Net income/(expenditure)		(451,845)	-	146,138	(305,707)	(530,101)
Transfers between funds	27	80,172 (80,172)	-	-	-	-
Net movement in funds before other recognised gains/(losses)		(371,673) (80,172)	146,138	(305,707)	(530,101)	
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	24	(2,435,000)	-	- (2,435,000)	800,000	
Net movement in funds		(2,806,673) (80,172)	146,138	(2,740,707)	269,899	
Reconciliation of funds:						
Total funds brought forward		(2,648,656)	15,598,814	1,231,632	14,181,790	13,911,891
Total funds carried forward		(5,455,329)	15,518,642	1,377,770	11,441,083	14,181,790

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

All incoming resources and resources expended derive from continuing activities.

SHETLAND AMENITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31 MARCH 2017

	Note	2017			2016	
		Restricted Funds £	Restricted Grant Funds £	Endowment Funds £	Total Funds £	
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	8,552	-	-	8,552	7,968
Charitable activities	3	3,814,085	-	-	3,814,085	3,868,108
Other trading activities	4	220,329	-	-	220,329	200,722
Investment income	5	60,450	-	-	60,450	58,537
Total income and endowments		4,103,416	-	-	4,103,416	4,135,335
EXPENDITURE ON:						
Raising funds	6	261,155	-	-	261,155	243,244
Charitable Activities	7	4,269,055	-	-	4,269,055	4,293,755
Total expenditure		4,530,210	-	-	4,530,210	4,536,999
Net income/(expenditure) before gains and losses on investments		(426,794)	-	- (426,794)	(426,794)	(401,664)
Net gains/(losses) on investments	14	-	-	146,138	146,138	(127,495)
Net income/(expenditure)		(426,794)	-	146,138	(280,656)	(529,159)
Transfers between funds	27	80,172	(80,172)	-	-	-
Net movement in funds before other recognised gains/(losses)		(346,622)	(80,172)	146,138	(280,656)	(529,159)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	24	(2,435,000)	-	-	(2,435,000)	800,000
Net movement in funds		(2,781,622)	(80,172)	146,138	(2,715,656)	270,841
Reconciliation of funds:						
Total funds brought forward		(2,612,918)	15,598,814	1,231,632	14,217,528	13,946,687
Total funds carried forward		(5,394,540)	15,518,642	1,377,770	11,501,872	14,217,528

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

All incoming resources and resources expended derive from continuing activities.

SHETLAND AMENITY TRUST

CONSOLIDATED BALANCE SHEET: YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible Assets	12	-	-
Tangible Assets	13	16,200,137	16,501,772
Endowment Investments (at market value)	14	1,377,770	1,231,632
Other Investments	15	5,600	5,600
Total fixed assets		17,583,507	17,739,004
CURRENT ASSETS			
Stocks and work-in-progress	16	204,938	237,929
Debtors	17	213,971	286,414
Cash at Bank and in hand	18	259,398	539,527
Total current assets		678,307	1,063,870
LIABILITIES			
Creditors: Amounts falling due within one year	19	(1,431,245)	(1,655,986)
Net current assets or current liabilities		(752,938)	(592,116)
Total assets less current liabilities		16,830,569	17,146,888
Creditors: Amounts falling due after more than one year	20	(307,486)	(318,098)
Net asset or liabilities excluding pension asset or liability		16,523,083	16,828,790
DEFINED BENEFIT PENSION SCHEME ASSET OR LIABILITY	24	(5,082,000)	(2,647,000)
Net assets or liabilities		11,441,083	14,181,790
<u>THE FUNDS OF THE CHARITY</u>			
Endowment Fund	27	1,377,770	1,231,632
Restricted Income Funds			
Restricted income funds excluding pension liability		15,145,312	15,597,157
Pension reserve	27	(5,082,000)	(2,647,000)
Unrestricted income funds		10,063,312	12,950,157
Capital on formation		1	1
Total Charity Funds	28	11,441,083	14,181,790

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

TRUSTEE:

TRUSTEE:

DATE:

[Signature]

[Signature]

13/9/17

SHETLAND AMENITY TRUST

BALANCE SHEET: YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible Assets	12	-	-
Tangible Assets	13	16,200,137	16,501,772
Endowment Investments (at market value)	14	1,377,770	1,231,632
Other Investments	15	5,601	5,601
Total fixed assets		17,583,508	17,739,005
CURRENT ASSETS			
Stocks and work-in-progress	16	202,568	235,062
Debtors	17	252,482	310,178
Cash at Bank and in hand	18	247,134	527,826
Total current assets		702,184	1,073,066
LIABILITIES			
Creditors: Amounts falling due within one year	19	(1,394,334)	(1,629,445)
Net current assets or current liabilities		(692,150)	(556,379)
Total assets less current liabilities		16,891,358	17,182,626
Creditors: Amounts falling due after more than one year	20	(307,486)	(318,098)
Net asset or liabilities excluding pension asset or liability		16,583,872	16,864,528
DEFINED BENEFIT PENSION SCHEME ASSET OR LIABILITY	24	(5,082,000)	(2,647,000)
Net assets or liabilities		11,501,872	14,217,528
<u>THE FUNDS OF THE CHARITY</u>			
Endowment Fund	27	1,377,770	1,231,632
Restricted Income Funds			
Restricted income funds excluding pension liability		15,206,101	15,632,895
Pension reserve		(5,082,000)	(2,647,000)
	27	10,124,101	12,985,895
Unrestricted income funds			
Capital on formation		1	1
Total Charity Funds	28	11,501,872	14,217,528

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

TRUSTEE: 

TRUSTEE: 

DATE: 13/9/17

SHETLAND AMENITY TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS: YEAR ENDED 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	29 (a)	(370,728)		489,815	
Cash flows from investing activities:					
Dividends and interest from investments		60,450		58,537	
Purchase of property, plant and equipment	(	26,918)		(471,996)	
Proceeds from sale of fixed assets		21,667		-	
Proceeds from sale of investments		348,891		141,240	
Purchase of investments and additional cash available for investments	(	367,614)		(130,997)	
		<hr/>		<hr/>	
Net cash provided by (used in) investing activities			36,476	(403,216)	
Cash flows from financing activities:					
Repayment of borrowing		12,273		(2,048)	
Cash inflows from new borrowing		-		300,000	
Effective loan interest adjustment		-		7,322	
Interest paid	(	11,713)		-	
		<hr/>		<hr/>	
Net cash provided by (used in) financing activities			560	305,274	
		<hr/>		<hr/>	
Change in cash and cash equivalents in the reporting period		(333,692)		391,873	
Cash and cash equivalents at the beginning of the reporting period		(165,379)		(557,252)	
Cash and cash equivalents at the end of the reporting period	29 (b)	(499,071)		(165,379)	

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts are prepared under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant notes to these accounts, and include the results of the charity's operations which are described in the Trustees' Report and all of which are continuing. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and include the results of the charity's operations which are described in the Trustees' Report and all of which are continuing.

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

The functional currency of Shetland Amenity Trust is considered to be pounds sterling because that is the currency of the primary economic environment in which the charity operates. Monetary amounts in these financial statements are rounded to the nearest £.

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

(b) Group Accounts

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

(c) Critical Accounting Estimates and Areas of Judgement

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

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(d) Income

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

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

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

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

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

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

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

(e) Expenditure

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

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

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(f) Grant Aid

Grant Aid is accounted for when committed.

(g) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits over the period of the lease.

(h) Value Added Tax

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

(i) Pensions – Defined Benefit Scheme

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

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

(j) Donated Goods and Services

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

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(k) Tangible Fixed Assets

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

The Heritable and leasehold properties are included in the accounts at deemed cost under the Charity SORP (FRS 102) 2015.

Leasehold property is depreciated over the remaining life of the lease.

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

Heritable Property	-	Nil
Leasehold Property	-	1.163% straight line
Equipment	-	0 - 20% straight line
Motor Vehicles	-	20% straight line
Computers	-	33.33% straight line

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

(l) Intangible Fixed Assets

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

(m) Investments

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

(n) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(o) Debtors

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

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(p) Cash at Bank and in Hand

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

(q) Liabilities

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

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

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

(r) Funds

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

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

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

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

(s) Foreign Currencies

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

(t) Financial Instruments

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

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

3 INCOME (cont.)	Group				Charity			
	2017 £ Restricted Funds	2017 £ Restricted Grant Funds	2017 £ Total	2016 £ Total	2017 £ Restricted Funds	2017 £ Restricted Grant Funds	2017 £ Total	2016 £ Total
<u>HIE Shetland</u>								
Geoparks	26,053	-	26,053	40,846	26,053	-	26,053	40,846
Promote Shetland	36,480	-	36,480	4,845	36,480	-	36,480	4,845
	<u>62,533</u>	<u>-</u>	<u>62,533</u>	<u>45,691</u>	<u>62,533</u>	<u>-</u>	<u>62,533</u>	<u>45,691</u>
<u>EU Creative Europe</u>								
Follow the Vikings	161,043	-	161,043	84,282	161,043	-	161,043	84,282
	<u>161,043</u>	<u>-</u>	<u>161,043</u>	<u>84,282</u>	<u>161,043</u>	<u>-</u>	<u>161,043</u>	<u>84,282</u>
<u>Heritage Lottery Fund</u>								
Sumburgh Head Development	-	-	-	(15,104)	-	-	-	(15,104)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,104)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,104)</u>
<u>Historic Scotland</u>								
Arch GIS Assistant	13,076	-	13,076	-	13,076	-	13,076	-
	<u>13,076</u>	<u>-</u>	<u>13,076</u>	<u>-</u>	<u>13,076</u>	<u>-</u>	<u>13,076</u>	<u>-</u>
<u>ERDF/Scottish Executive</u>								
Shetland Boat Building Project	-	-	-	101,354	-	-	-	101,354
Sumburgh Head Development	-	-	-	1,349	-	-	-	1,349
	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,703</u>
<u>Big Lottery</u>								
Shetland Boat Building Project	59,550	-	59,550	34,350	59,550	-	59,550	34,350
	<u>59,550</u>	<u>-</u>	<u>59,550</u>	<u>34,350</u>	<u>59,550</u>	<u>-</u>	<u>59,550</u>	<u>34,350</u>
<u>Grant Aid Account</u>								
Administration	12,000	-	12,000	-	12,000	-	12,000	-
Arch GIS Assistant	1,000	-	1,000	-	1,000	-	1,000	-
Shetland Boat Building Project	9,500	-	9,500	-	1,000	-	1,000	-
Shetland Boat Week	1,886	-	1,886	-	9,500	-	9,500	-
Lighthouse Accommodation	15,000	-	15,000	-	1,886	-	1,886	-
Promote Shetland	5,000	-	5,000	-	15,000	-	15,000	-
	<u>44,386</u>	<u>-</u>	<u>44,386</u>	<u>-</u>	<u>44,386</u>	<u>-</u>	<u>44,386</u>	<u>-</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

3 INCOME (cont.)	Group				Charity			
	2017 £ Restricted Funds	2017 £ Restricted Grant Funds	2017 £ Total	2016 £ Total	2017 £ Restricted Funds	2017 £ Restricted Grant Funds	2017 £ Total	2016 £ Total
Other Grants								
Archaeology	-	-	-	4,841	-	-	-	4,841
ARCH G.I.S. Assistant	-	-	-	2,500	-	-	-	2,500
Administration	1,550	-	1,550	-	1,550	-	1,550	-
Environmental Improvements	-	-	-	9,800	-	-	-	9,800
Museum OSB Project	2,939	-	2,939	14,936	2,939	-	2,939	14,936
Peatland Project	-	-	-	4,385	-	-	-	4,385
	<u>4,489</u>	<u>-</u>	<u>4,489</u>	<u>36,462</u>	<u>4,489</u>	<u>-</u>	<u>4,489</u>	<u>36,462</u>
Total grant funded income	<u>1,749,265</u>	<u>-</u>	<u>1,749,265</u>	<u>1,774,268</u>	<u>1,749,265</u>	<u>-</u>	<u>1,749,265</u>	<u>1,774,268</u>
Other income from charitable activities								
Shetland Islands Council								
Archaeology	27,493	-	27,493	26,692	27,493	-	27,493	26,692
Archives Service	147,424	-	147,424	155,535	147,424	-	147,424	155,535
Glass Recycling	-	-	-	15,000	-	-	-	15,000
Museum Education	63,561	-	63,561	57,715	63,561	-	63,561	57,715
Museum Facility	499,891	-	499,891	512,134	499,891	-	499,891	512,134
Museum Service	202,678	-	202,678	206,814	202,678	-	202,678	206,814
Promote Shetland	394,000	-	394,000	394,000	394,000	-	394,000	394,000
	<u>1,335,047</u>	<u>-</u>	<u>1,335,047</u>	<u>1,367,890</u>	<u>1,335,047</u>	<u>-</u>	<u>1,335,047</u>	<u>1,367,890</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

3 INCOME (cont.)	Group				Charity			
	2017 £	2017 £	2017 £	2016 £	2017 £	2017 £	2017 £	2016 £
	Restricted Funds	Restricted Grant Funds	Total	Total	Restricted Funds	Restricted Grant Funds	Total	Total
Other sources								
Administration	8,395	-	8,395	26,233	8,395	-	8,395	26,233
Anti-Litter Agency	-	-	-	9,026	-	-	-	9,026
Archaeology	3,289	-	3,289	1,783	3,289	-	3,289	1,783
Archaeology Agency	7,509	-	7,509	25,272	7,509	-	7,509	25,272
Arch GIS Assistant	16,198	-	16,198	-	16,198	-	16,198	-
Architectural Heritage	236,110	-	236,110	188,669	236,110	-	236,110	188,669
Archives Service	2,087	-	2,087	4,857	2,087	-	2,087	4,857
Camping Bod Accommodation	26,569	-	26,569	19,871	26,569	-	26,569	19,871
Environmental Improvement	27,577	-	27,577	28,021	27,577	-	27,577	28,021
General Account	8,478	-	8,478	12,178	8,478	-	8,478	12,178
Geoparks	7,370	-	7,370	19,795	7,370	-	7,370	19,795
Glass Recycling	17,288	-	17,288	32,934	17,288	-	17,288	32,934
Lighthouse Accommodation	42,090	-	42,090	32,870	42,090	-	42,090	32,870
Museum Education	2,610	-	2,610	4,811	2,610	-	2,610	4,811
Museum Facility	19,758	-	19,758	9,362	19,758	-	19,758	9,225
Museum Service	6,945	-	6,945	17,990	6,945	-	6,945	17,990
Natural Heritage	17,944	-	17,944	14,746	17,944	-	17,944	14,746
Old Scatness Broch	3,401	-	3,401	3,949	3,401	-	3,401	3,949
Peatland Project	8,192	-	8,192	-	8,192	-	8,192	-
Place Names	55	-	55	9,975	55	-	55	9,975
Promote Shetland	230,810	-	230,810	211,217	230,810	-	230,810	211,217
Shetland Boat Building Project	10,510	-	10,510	9,500	10,510	-	10,510	9,500
Shetland Boat Week	3,243	-	3,243	-	3,243	-	3,243	-
Shetland Heritage Publications	15,400	-	15,400	14,208	15,400	-	15,400	14,208
Shetland Nature Festival	1,273	-	1,273	-	1,273	-	1,273	-
Shetland Rangers	-	-	-	12,000	-	-	-	12,000
Taatit Rug Project	-	-	-	336	-	-	-	336
Woodlands	6,094	-	6,094	15,792	6,094	-	6,094	15,792
Viking Congress	45	-	45	-	45	-	45	-
Viking Unst	533	-	533	692	533	-	533	692
	<u>729,773</u>	<u>-</u>	<u>729,773</u>	<u>726,087</u>	<u>729,773</u>	<u>-</u>	<u>729,773</u>	<u>725,950</u>
Total other income from charitable activities	<u>2,064,820</u>	<u>-</u>	<u>2,064,820</u>	<u>2,093,977</u>	<u>2,064,820</u>	<u>-</u>	<u>2,064,820</u>	<u>2,093,840</u>
Total income from charitable activities	<u>3,814,085</u>	<u>-</u>	<u>3,814,085</u>	<u>3,868,245</u>	<u>3,814,085</u>	<u>-</u>	<u>3,814,085</u>	<u>3,868,108</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

INCOME (cont.)	Group				Charity			
	2017 £	2017 £	2017 £	2016 £	2017 £	2017 £	2017 £	2016 £
	Restricted Funds	Restricted Grant Funds	Total	Total	Restricted Funds	Restricted Grant Funds	Total	Total
4 Other trading activities								
Hay's Dock Café Restaurant Ltd sales	433,598	-	433,598	434,244	-	-	-	-
Museum Shop - sale of goods	103,673	-	103,673	95,350	103,673	-	103,673	95,350
Sumburgh Head - sale of goods, accommodation and events	116,656	-	116,656	105,372	116,656	-	116,656	105,372
Total income from other trading activities	653,927	-	653,927	634,966	220,329	-	220,329	200,722
5 Investment income								
Investments listed on a recognised stock exchange	60,384	-	60,384	58,428	60,384	-	60,384	58,428
Bank interest received	66	-	66	109	66	-	66	109
Total investment income	60,450	-	60,450	58,537	60,450	-	60,450	58,537
Total Income	4,537,014	-	4,537,014	4,569,716	4,103,416	-	4,103,416	4,135,335

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
EXPENDITURE				
6 Expenditure on raising funds				
MUSEUM SHOP				
Museum Shop	91,955	95,221	91,955	95,221
Sumburgh Head Operational Budget	158,222	142,887	169,200	148,023
	250,177	238,108	261,155	243,244
HAYS DOCK CAFÉ RESTAURANT LIMITED				
Cost of Sales	165,951	153,975	-	-
Advertising	2,697	3,096	-	-
Administrative Expenses	296,294	279,633	-	-
	464,942	436,704	-	-
Total expenditure on raising funds	715,119	674,812	261,155	243,244

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

		Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
EXPENDITURE					
7 Expenditure on charitable activities					
Support costs					
General Expenses		(17,865)	108,741	(17,865)	108,741
Administration Expenses		559,885	664,971	559,885	664,971
Governance Costs	8	25,226	22,068	20,541	18,313
Activities undertaken directly					
Archaeology		102,919	97,126	102,919	97,126
Archaeology Agency		21,898	29,283	21,898	29,283
Viking Unst		4,140	5,957	4,140	5,957
Old Scatness Broch		4,121	26,023	4,121	26,023
Architectural Heritage		312,395	217,098	312,395	217,098
Planned Maintenance		255,525	266,624	255,525	266,624
Shetland Heritage Publications		13,135	3,125	13,135	3,125
Woodlands		103,869	99,143	103,869	99,143
Geoparks		43,051	50,991	43,051	50,991
Natural Heritage		61,957	65,025	61,957	65,025
Shetland Rangers		58,075	55,376	58,075	55,376
Environmental Improvement		233,228	262,045	233,228	262,045
Glass Recycling		55,954	56,731	55,954	56,731
Place Names		49,435	49,939	49,435	49,939
Community History Programme		55,945	59,384	55,945	59,384
Shetland Nature Festival		-	2,673	-	2,673
Archives		150,165	170,810	150,165	170,810
Museum		210,528	242,187	210,528	242,187
Museum - Education		68,412	56,815	68,412	56,815
Museum - Facility		541,343	518,742	541,343	518,742
Thing Project		-	(771)	-	(771)
Promote Shetland		717,826	590,513	717,826	590,513
Shetland Boat Building Project		27,921	25,500	27,921	25,500
Peatland Project		16,794	93,682	16,794	93,682
ARCH G.I.S. Assistant		25,174	886	25,174	886
Follow the Vikings		164,640	86,521	164,640	86,521
Museum OSB Project		21,111	2,794	21,111	2,794
Depreciation	9	315,650	321,258	315,650	321,258
Grant funding of activities					
Grant Aid	11	71,283	46,250	71,283	46,250
		<u>4,273,740</u>	<u>4,297,510</u>	<u>4,269,055</u>	<u>4,293,755</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

	<u>Group</u>		<u>Charity</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	£	£	£	£
Expenditure on charitable activities cont.				
8 GOVERNANCE COSTS				
<u>Auditor's Remuneration</u>				
Audit Fees	15,675	12,745	11,105	9,100
Assurance Services other than audit or independent examination	950	375	950	375
Tax Advisory Services	295	290	180	180
Other Financial Services	4,155	4,600	4,155	4,600
<u>Other Governance costs</u>				
Pension report expenses	-	430	-	430
Trustees Allowances	2,636	2,228	2,636	2,228
Other Trustee Costs -				
Trustee Indemnity Insurance	1,515	683	1,515	683
Advertising and professional fees	-	717	-	717
	<u>25,226</u>	<u>22,068</u>	<u>20,541</u>	<u>18,313</u>

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

During the year, reimbursements were made to 9 trustees totalling £2,636 (2016: 9 trustees totalling £2,228).

Trustees are not remunerated by the Trust.

Auditor's remuneration is noted above. In addition to those noted above, amounts of £3,280 were also paid in relation to specific project grant claims. In the prior year, in addition to those noted above, amounts of £135 were also paid in relation to other financial services.

9 DEPRECIATION	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	£	£	£	£
Depreciation (see note 13)	315,650	321,258	315,650	321,258
	<u>315,650</u>	<u>321,258</u>	<u>315,650</u>	<u>321,258</u>

10 STAFF COSTS AND EMOLUMENTS	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	£	£	£	£
Wages and salaries	2,243,313	2,500,003	1,971,863	2,023,323
Employers National Insurance	173,475	144,634	173,475	131,478
Pension Costs	313,617	324,047	313,602	324,047
	<u>2,730,405</u>	<u>2,968,684</u>	<u>2,458,940</u>	<u>2,478,848</u>
 Average number of staff	 114	 105	 90	 88
 Number of staff with emoluments between:-				
£60,000-£70,000	2	-	2	-
£70,000-£80,000	-	1	-	1

The total employment benefits, including employers pension contributions, of key management personnel was £326,026 (2016: £372,176).

11 GRANT AID	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	£	£	£	£
Grants Paid	38,012	33,054	38,012	33,054
Grants Committed (note 11a - page 17)	32,520	13,946	32,520	13,946
Interest Free Loans (note 11a - page 17)	750	(750)	750	(750)
	<u>71,282</u>	<u>46,250</u>	<u>71,282</u>	<u>46,250</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

11a GRANTS PAID/COMMITTED	Committed at 31/3/16	Grants Paid In Year	Capital Acquisition	Grants written off	Awarded during the Year	Committed at 31/3/17
Charity	£	£	£	£	£	£
SAT Project Development	-	(12,000)	-	-	12,000	-
SAT Wool Week	-	(5,000)	-	-	5,000	-
SAT Property Acquisition	6,946	(72)	-	(6,874)	-	-
SAT Stoneyhill Boat Building	-	(9,500)	-	-	9,500	-
SAT Viking Unst	-	-	-	-	15,000	15,000
Bressay Lighthouse	-	(15,000)	-	-	15,000	-
Mapping Shetland Archaeology	-	(1,000)	-	-	1,000	-
J Ballantyne	-	(5,000)	-	-	5,000	-
Drifting Apart Project	-	-	-	-	-	-
Shetland Boat Week	-	(1,886)	-	-	9,386	7,500
University of Leeds	-	(500)	-	-	500	-
Donald Murray	-	(2,000)	-	-	2,000	-
Shetland Moving Image Archive	-	-	-	-	1,020	1,020
Thorgrimur Gestsson	3,000	-	-	-	-	3,000
Edinburgh World Heritage Trust	4,000	-	-	-	-	4,000
Walls Methodist Church	-	-	-	-	2,000	2,000
Shetland Amenity Trust - FTV	-	-	(2,525)	-	2,525	-
	13,946	(51,958)	-	(9,399)	79,931	32,520

INTEREST FREE LOAN

	Balance at 31/3/16	Awarded in Year	Repaid in Year	Balance at 31/3/17
	£	£	£	£
Eshaness Lighthouse	6,750	-	(750)	6,000

GRANT AID SCHEME

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

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

ANALYSIS OF GRANTS AWARDED DURING THE YEAR

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

	2017 £	2016 £
Property acquisition	15,000	10,500
Promote Shetland	-	5,000
Drifting Apart Viking project	-	10,000
Shetland Amenity Trust - FTV	2,525	-
Shetland Boat Building	9,500	9,500
Shetland Boat Week	9,386	-
Mapping Shetland Archaeology	1,000	-
Viking Unst	15,000	-
Wool Week	5,000	-
University of Leeds	500	-
J Ballantyne	5,000	-
Donald Murray	2,000	-
Walls Methodist Church	2,000	-
Shetland Moving Image Archive	1,020	-
Product Development	12,000	12,000
	79,931	47,000

All grants were paid to institutions.

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

12 INTANGIBLE FIXED ASSETS

	Museum & Archives Branding £	Group Glass Recycling Patent £	Total £	Museum & Archives Branding £	Charity Glass Recycling Patent £	Total £
COST						
At 31st March 2016	34,746	300	35,046	34,746	300	35,046
At 31st March 2017	34,746	300	35,046	34,746	300	35,046
AMORTISATION						
At 31st March 2016	34,746	300	35,046	34,746	300	35,046
At 31st March 2017	34,746	300	35,046	34,746	300	35,046
NET BOOK VALUE						
At 31st March 2016	-	-	-	-	-	-
At 31st March 2017	-	-	-	-	-	-

13 TANGIBLE FIXED ASSETS

Group	Heritable Property £	Long Leasehold Property £	Equipment £	Motor Vehicles £	Total £
COST OR VALUATION					
At 31st March 2016	15,255,837	600,000	2,844,281	235,658	18,935,776
Additions	-	-	9,418	17,500	26,918
Disposals	-	-	-	(31,650)	(31,650)
At 31st March 2017	15,255,837	600,000	2,853,699	221,508	18,931,044
DEPRECIATION					
At 31st March 2016	-	13,956	2,255,099	164,949	2,434,004
Charge for Year	-	6,978	281,055	27,617	315,650
Disposals	-	-	-	(18,747)	(18,747)
At 31st March 2017	-	20,934	2,536,154	173,819	2,730,907
NET BOOK VALUE					
At 31st March 2016	15,255,837	586,044	589,182	70,709	16,501,772
At 31st March 2017	15,255,837	579,066	317,545	47,689	16,200,137

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

13 TANGIBLE FIXED ASSETS CONTINUED

TANGIBLE FIXED ASSETS

Charity	Heritable	Long	Equipment	Motor	Total
	Property	Leasehold		Vehicles	
	£	£	£	£	£
<u>COST OR VALUATION</u>					
At 31st March 2016	15,255,837	600,000	2,844,281	235,658	18,935,776
Additions	-	-	9,418	17,500	26,918
Disposals	-	-	-	(31,650)	(31,650)
At 31st March 2017	<u>15,255,837</u>	<u>600,000</u>	<u>2,853,699</u>	<u>221,508</u>	<u>18,931,044</u>
<u>DEPRECIATION</u>					
At 31st March 2016	-	13,956	2,255,099	164,949	2,434,004
Charge for Year	-	6,978	281,055	27,617	315,650
Disposals	-	-	-	(18,747)	(18,747)
At 31st March 2017	-	<u>20,934</u>	<u>2,536,154</u>	<u>173,819</u>	<u>2,730,907</u>
<u>NET BOOK VALUE</u>					
At 31st March 2016	<u>15,255,837</u>	<u>586,044</u>	<u>589,182</u>	<u>70,709</u>	<u>16,501,772</u>
At 31st March 2017	<u>15,255,837</u>	<u>579,066</u>	<u>317,545</u>	<u>47,689</u>	<u>16,200,137</u>

All fixed assets are used directly for charitable purposes.

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

The net book value of tangible fixed assets pledged as security detailed in note 21, is £971,201.

14 ENDOWMENT INVESTMENTS

Group	2017		2016	
	£	£	£	£
Market Value at 31st March		1,231,632		1,359,127
Less: Disposals at opening book value				
Proceeds	348,891		141,240	
(Gain)/Loss on disposals	73,892	422,783	1,061	142,301
		<u>808,849</u>		<u>1,216,826</u>
Add: Acquisition at cost	352,538		124,073	
Increase/(Decrease) in cash deposits	15,076		6,924	
Net Gains/(Losses) on Revaluation	201,307	568,921	(116,191)	14,806
Market Value at 31st March		<u>1,377,770</u>		<u>1,231,632</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

14 ENDOWMENT INVESTMENTS CONTINUED

Charity	2017		2016	
	£	£	£	£
Market Value at 31st March		1,231,632		1,359,127
Less: Disposals at opening book value				
Proceeds	348,891		141,240	
(Gain)/Loss on disposals	73,892	422,783	1,061	142,301
		<u>808,849</u>		<u>1,216,826</u>
Add: Acquisition at cost	352,538		124,073	
Increase/(Decrease) in cash deposits	15,076		6,924	
Net Gains/(Losses) on Revaluation	201,307	568,921	(116,191)	14,806
Market Value at 31st March		<u>1,377,770</u>		<u>1,231,632</u>

ANALYSIS OF INVESTMENTS

Group and company	Market	Cost	Market	Cost
	Value at	Analysis at	Value at	Analysis at
	31.03.17	31.03.17	31.03.16	31.03.16
	£	£	£	£
Fixed and Variable Interest Securities:				
UK Fixed Interest	303,687	287,076	303,687	287,076
Overseas Fixed Interest	-	-	-	-
	<u>303,687</u>	<u>287,076</u>	<u>303,687</u>	<u>287,076</u>
UK Equities	599,623	542,718	599,623	542,718
European Equities	49,774	42,109	49,774	42,109
Far East & Australian Equities	56,432	47,622	56,432	47,622
International Equities	139,076	118,801	139,076	118,801
Emerging Economies	29,210	28,272	29,210	28,272
Property Funds - listed	84,251	74,146	84,251	74,146
Alternative assets	84,091	80,485	84,091	80,485
Accrued interest	9	-	9	-
Funds on Deposit - unlisted	31,617	31,617	31,617	31,617
	<u>1,377,770</u>	<u>1,252,846</u>	<u>1,377,770</u>	<u>1,252,846</u>

Charity	Market	Cost	Market	Cost
	Value at	Analysis at	Value at	Analysis at
	31.03.17	31.03.17	31.03.16	31.03.16
	£	£	£	£
Fixed and Variable Interest Securities:				
UK Fixed Interest	303,687	287,076	303,687	287,076
Overseas Fixed Interest	-	-	-	-
	<u>303,687</u>	<u>287,076</u>	<u>303,687</u>	<u>287,076</u>
UK Equities	599,623	542,718	599,623	542,718
European Equities	49,774	42,109	49,774	42,109
Far East & Australian Equities	56,432	47,622	56,432	47,622
International Equities	139,076	118,801	139,076	118,801
Emerging Economies	29,210	28,272	29,210	28,272
Property Funds - listed	84,251	74,146	84,251	74,146
Alternative assets	84,091	80,485	84,091	80,485
Accrued interest	9	-	9	-
Funds on Deposit - unlisted	31,617	31,617	31,617	31,617
	<u>1,377,770</u>	<u>1,252,846</u>	<u>1,377,770</u>	<u>1,252,846</u>

The investments are held primarily for investment return.

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

15 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Value as at 31st March 2016	5,600	5,600	5,601	5,601
Value as at 31st March 2017	<u>5,600</u>	<u>5,600</u>	<u>5,601</u>	<u>5,601</u>

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

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

The trading results for the period from 1 April 2016 to 31 March 2017 and the assets and liabilities as at 31 March 2017 were:

	Hay's Dock Café Restaurant Limited		Hay's Dock Café Restaurant Limited	
	31/03/17 £	31/03/16 £	31/03/17 £	31/03/16 £
Turnover	444,576	439,517		
Cost of Sales	(165,951)	(153,975)		
Gross Profit	<u>278,625</u>	<u>285,542</u>		
Administration and distribution expenses	(303,676)	(286,484)		
Net (Loss)	<u>(25,051)</u>	<u>(942)</u>		
			Current assets	17,962
			Creditors due within one year	(78,750)
				(60,788)
			Share capital	1
			Profit and loss account	(60,789)
				(60,788)

16 STOCK

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Hay's Dock Café Restaurant Ltd stock	2,370	2,867	-	-
Museum Shop Stock	92,962	113,973	92,962	113,973
Heritage Publications Stock	57,768	56,396	57,768	56,396
Enviroglass Stock	-	12,424	-	12,424
Sumburgh Head Shop Stock	51,838	52,269	51,838	52,269
	<u>204,938</u>	<u>237,929</u>	<u>202,568</u>	<u>235,062</u>

17 DEBTORS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade Debtors	126,749	122,148	124,194	120,072
Amounts due from group companies	-	-	41,066	18,516
VAT	-	9,798	-	17,307
Prepayments and accrued income	87,222	154,468	87,222	154,283
	<u>213,971</u>	<u>286,414</u>	<u>252,482</u>	<u>310,178</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

18 CASH AT BANK AND IN HAND

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
HDCR bank account	12,264	11,701	-	-
BACS Trade Payments	82	12,980	82	12,980
Cash Management Account	-	-	-	-
Telebank Investment Account	571	12,870	571	12,870
Euro Account - Follow The Vikings	244,959	500,454	244,959	500,454
Cash in hand	1,522	1,522	1,522	1,522
	<u>259,398</u>	<u>539,527</u>	<u>247,134</u>	<u>527,826</u>

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

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade Creditors	132,433	191,013	120,480	179,381
Accruals And Deferred Income	137,883	168,567	129,426	156,125
Other Creditors	39,294	38,081	39,192	38,088
PAYE/NI Creditor	47,137	42,668	40,173	40,194
VAT	60,458	-	51,023	-
Follow The Vikings creditor	244,959	500,454	244,959	500,454
Loans (see note 21)	10,612	10,297	10,612	10,297
Bank Overdraft	758,469	704,906	758,469	704,906
	<u>1,431,245</u>	<u>1,655,986</u>	<u>1,394,334</u>	<u>1,629,445</u>

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

Loans	10,612	10,297	10,612	10,297
Bank overdraft	758,469	704,906	758,469	704,906
	<u>769,081</u>	<u>715,203</u>	<u>769,081</u>	<u>715,203</u>

Analysis of movement in deferred income	Group			
	Opening Balance	Deferred in Year	Released in Year	Closing Balance
	£	£	£	£
Lighthouse and camping bod income prepaid	25,147	19,224 (	25,147)	19,224
RSPB and Scottish Natural Heritage income prepaid	-	12,630	-	12,630
Caretakeback.com annual service prepaid	5,625	- (	5,625)	-
	<u>30,772</u>	<u>31,854 (</u>	<u>30,772)</u>	<u>31,854</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR CONTINUED

Analysis of movement in deferred income	Opening Balance £	Charity		Closing Balance £
		Deferred in Year £	Released in Year £	
Lighthouse and camping bod income prepaid	25,147	19,224 (	25,147)	19,224
RSPB and Scottish Natural Heritage income prepaid	-	12,630	-	12,630
Caretakeback.com annual service prepaid	5,625	- (	5,625)	-
	<u>30,772</u>	<u>31,854 (</u>	<u>30,772)</u>	<u>31,854</u>

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

20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Loans (see note 21)	307,486	318,098	307,486	318,098
	<u>307,486</u>	<u>318,098</u>	<u>307,486</u>	<u>318,098</u>

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

Loans	<u>307,486</u>	<u>318,098</u>	<u>307,486</u>	<u>318,098</u>
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21 LOANS

	Group					
	Due < One Year £	2017 Due > One Year £	Total £	Due < One Year £	2016 Due > One Year £	Total £
Eshaness Lighthouse Mortgage	2,000	16,000	18,000	2,000	18,000	20,000
Boat Shed Mortgage	8,612	291,486	300,098	8,297	300,098	308,395
	<u>10,612</u>	<u>307,486</u>	<u>318,098</u>	<u>10,297</u>	<u>318,098</u>	<u>328,395</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

21 LOANS

	Charity					
	2017		Total	2016		Total
	Due < One Year £	Due > One Year £		Due < One Year £	Due > One Year £	
Eshaness Lighthouse Mortgage	2,000	16,000	18,000	2,000	18,000	20,000
Boat Shed Mortgage	8,612	291,486	300,098	8,297	300,098	308,395
	<u>10,612</u>	<u>307,486</u>	<u>318,098</u>	<u>10,297</u>	<u>318,098</u>	<u>328,395</u>

The Eshaness Lighthouse loan is repayable over 20 years, final repayment due, 1 July 2026, with an interest rate of approx 6%.

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

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

22 OPERATING LEASES

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Operating lease payments	<u>3,470</u>	<u>3,520</u>	<u>3,470</u>	<u>3,520</u>

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

	2017 £	2016 £	2017 £	2016 £
Not later than 1 year	3,470	3,470	3,470	3,470
Later than 1 year and not later than 5 years	8,307	11,727	8,307	11,727
Later than 5 years	700	750	700	750
	<u>12,477</u>	<u>15,947</u>	<u>12,477</u>	<u>15,947</u>

23 INCOME FOR TRUST LAW PURPOSES

Following the expiry of the 21 year accumulation period on 21 December 2003 the trustees are required by trust law to distribute all the net income. Income for trust law purposes is calculated differently from the treatment required by charity law. The trustees have wide powers to allocate income and record that the net income of the trust has all been distributed. All the remaining expenses are charged to capital.

The revenue position for trust law purposes is as follows:

	£	£
Investment Income on Endowment Fund		60,384
Interest on temporary deposits		66
Loan Repayments		750
Donations		8,552
Other Income		<u>2,064,820</u>
		<u>2,134,572</u>
Direct charitable expenditure:		
Depreciation	315,650	
Proportion of management expenses	<u>1,818,922</u>	
Revenue balance		<u><u>-</u></u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

24 PENSION SCHEME (GROUP AND CHARITY)

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

The latest formal valuation of the Fund was at 31st March 2014 and this is updated on a triennial basis. A summary of the membership data used and the benefits valued at the latest formal valuation are set out in the formal valuation report. Hymans Robertson LLP has reviewed the most recent full actuarial valuation at 31st March 2014 and has updated it annually at the charity's balance sheet date to reflect current conditions.

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

Assumptions as at	31 March 2017 % per annum	31 March 2016 % per annum
Pension Increase Rate	2.4%	2.2%
Salary Increase Rate	4.4%	4.2%
Discount Rate	2.6%	3.5%
Proportion of employees opting for early retirement	0.0%	0.0%

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

Mortality assumptions	31 March 2017 Years	31 March 2016 Years
Longevity at age 65 for current pensioners		
Men	22.8	22.8
Women	23.8	23.8
Longevity at age 65 for future pensioners		
Men	24.9	24.9
Women	26.7	26.7

Assets (Employer Share)

	Percentage	31st March 2017 Fair value of the total plan assets £ 000	Percentage	31st March 2016 Fair value of the total plan assets £ 000
Equities	81.0%	8,583	77.0%	6,649
Bonds	8.0%	848	10.0%	863
Property	11.0%	1,165	13.0%	1,122
Cash	0.0%	-	0.0%	-
	<u>100.0%</u>	<u>10,596</u>	<u>100.0%</u>	<u>8,634</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

24 PENSION SCHEME (Continued)

Net Pension Asset as at	31 March 2017	31 March 2016
	£ 000	£ 000
Fair value of Employer Assets	10,596	8,634
Present value of funded liabilities	(15,678)	(11,281)
Net (under)/overfunding in funded plans	<u>(5,082)</u>	<u>(2,647)</u>
Present value of unfunded liabilities	-	-
Unrecognised past service cost	-	-
Net asset/(liability)	<u>(5,082)</u>	<u>(2,647)</u>
Amount in the balance sheet		
Liabilities	(5,082)	(2,647)
Assets	-	-
Net Pension (liability)/asset	<u>(5,082)</u>	<u>(2,647)</u>
Amounts recognised in the SOFA	31 March 2017	31 March 2016
	£ 000	£ 000
Current service cost	(514)	(609)
Interest cost	(96)	(115)
Plan contributions and benefits paid	313	320
Remeasurements:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(3,584)	1,303
Other experience	-	55
Return on assets excluding amounts included in net interest	<u>1,446</u>	<u>(154)</u>
Total	<u>(2,435)</u>	<u>800</u>
Actual return on plan assets	31 March 2017	31 March 2016
	£ 000	£ 000
Return on assets excluding amounts included in net interest	1,446	(154)
Interest income on plan assets included in net interest	<u>306</u>	<u>269</u>
Return on plan assets	<u>1,752</u>	<u>115</u>
Reconciliation of defined benefit obligation	31 March 2017	31 March 2016
	£ 000	£ 000
Opening defined benefit obligation	11,281	11,765
Current service cost	514	609
Interest cost	402	384
Contributions by members	115	117
Actuarial losses/(gains)	3,584	(1,358)
Benefits paid	<u>(218)</u>	<u>(236)</u>
Closing defined benefit obligation	<u>15,678</u>	<u>11,281</u>

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

24 PENSION SCHEME (Continued)

Reconciliation of fair value of employer assets	31 March 2017 £ 000	31 March 2016 £ 000
Opening fair value of employer assets	8,634	8,318
Interest income	306	269
Contributions by members	115	117
Contributions by the employer	313	320
Return on assets excluding amounts included in net interest	1,446	(154)
Benefits paid	<u>(218)</u>	<u>(236)</u>
Closing fair value of employer assets	<u>10,596</u>	<u>8,634</u>

Shetland Amenity Trust estimates that employer's contributions for the year to 31 March 2018 will be approximately £313,000.

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

25 RELATED PARTY TRANSACTIONS

Shetland Amenity Trust own 100% of the share capital of Hay's Dock Café Restaurant Ltd. Catering Services were provided by this company to the Trust, on an arm's length basis, to the gross value of £13,173 (2016: £6,328). At 31st March 2017, the Trust owed £1,371 (2016: £432) in Trade Creditors to the Company. The Trust paid for goods and services on behalf of the Company, on an arms length bass, to the gross value of £3,507 (2016: £Nil). At 31st March 2017, the Trust was owed £598 (2016: £Nil) in Trade Debtors from the Company. There was also an inter group loan from the Trust to the Company of £41,066 (2016: £18,516) at the period end. There are no repayment terms and no loan interest accruing on this loan.

26 FINANCIAL INSTRUMENTS

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

GROUP AND CHARITY	2017	2016
	<u>£</u>	<u>£</u>
Financial liabilities		
Loans payable falling due within 1 year	10,612	10,297
Loans payable falling due between 2 - 5 years	299,486	308,098
Loans payable falling due after 5 years	8,000	10,000
	<u>318,098</u>	<u>328,395</u>

The loan financing is in the form of two secured loans with a fixed interest rate (being 2% and 4% per annum over the Bank's base rate) and are due to finish in July 2026 and March 2021. The total interest paid during the year was £12,313 (2016: £4,591). Total expense adjustment for financial liabilities measured at amortised cost was £Nil, (2016: £7,322).

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

27 SUMMARY STATEMENT OF FUND MOVEMENTS

Restricted Funds	Group					TOTAL £
	General Fund	Pension Fund	Shetland Wildlife Fund	Grant Aid Fund	Permanent Grant Fund	
	£	£	£	£	£	
As at 31st March 2016	(176,516)	(2,647,000)	5,342	169,517	15,598,814	12,950,157
Income	4,476,630	-	-	60,384	-	4,537,014
Expenditure	(4,917,576)	-	-	(71,283)	-	(4,988,859)
Other recognised gains or losses in year	-	(2,435,000)	-	-	-	(2,435,000)
Transfer of Funds between Funds	80,172	-	-	-	(80,172)	-
As at 31st March 2017	(537,290)	(5,082,000)	5,342	158,618	15,518,642	10,063,312

Restricted Funds	Charity					TOTAL £
	General Fund	Pension Fund	Shetland Wildlife Fund	Grant Aid Fund	Permanent Grant Fund	
	£	£	£	£	£	
As at 31st March 2016	(140,778)	(2,647,000)	5,342	169,517	15,598,814	12,985,895
Income	4,043,032	-	-	60,384	-	4,103,416
Expenditure	(4,458,928)	-	-	(71,282)	-	(4,530,210)
Other recognised gains or losses in year	-	(2,435,000)	-	-	-	(2,435,000)
Transfer of Funds between Funds	80,172	-	-	-	(80,172)	-
As at 31st March 2017	(476,502)	(5,082,000)	5,342	158,619	15,518,642	10,124,101

General restricted fund represent funding received for specific projects run by the trust which fall within its charitable objectives.

The Shetland Wildlife Fund was established from compensation monies received following the Braer tanker oil spill in Shetland in 1993. The remainder of the fund was given to the Trust in February 2006 to be distributed to projects which support Shetland Wildlife.

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

The Permanent Grant Fund has been established to record funding of a capital nature and is reduced in line with the expected useful lifetimes of the capital assets to which the specific grants relate.

The transfer of funds between funds represents amortisation of grants.

SHETLAND AMENITY TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2017

28 ANALYSIS OF NET ASSETS BETWEEN FUNDS CONTINUED

Fund balances at 31 March are represented by;	Restricted Funds	Charity Endowment Funds	Total Funds
	£	£	£
Fixed Assets	16,200,137	-	16,200,137
Investments	5,601	1,377,770	1,383,371
Current Assets	702,184	-	702,184
Current Liabilities	(1,394,334)	-	(1,394,334)
Long Term Liabilities	(5,389,486)	-	(5,389,486)
Total Net Assets	<u>10,124,102</u>	<u>1,377,770</u>	<u>11,501,872</u>

29 CASHFLOW STATEMENT

(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(305,707)	(530,101)
Adjustments for:		
Depreciation	315,650	321,258
(Gains)/losses on investments	(127,415)	117,252
(Gains)/losses on disposal of fixed assets	(8,764)	-
Dividends and interest from investments	(60,450)	(58,537)
Interest paid	11,713	-
(Increase)/decrease in stock	32,991	78
(Increase)/decrease in debtors	135,903	258,785
Increase/(decrease) in creditors	(364,649)	381,080
(b) Net cash provided by (used in) operating activities	<u>(370,728)</u>	<u>489,815</u>
Analysis of cash and cash equivalents		
	2017	2016
	£	£
Cash in hand	259,398	539,527
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	<u>(758,469)</u>	<u>(704,906)</u>
	<u>(499,071)</u>	<u>(165,379)</u>

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