

# **Shetland Amenity Trust**

**Annual Report and Financial Statements** 

Year Ended 31 March 2020

Scottish Charity Number: SC017505

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## **Trustees' Annual Report**

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Trust for the year ended 31 March 2020.

## **Objectives**

- 1. The Trust's objects are:
  - (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 or recreation; and,
  - (c) such other purpose or purposes charitable in law as the Trustees shall from time to time determine.

## **Activities**

- 2. The Trust adopted a new Strategic Plan, *Caring for Shetland's Heritage*, on 6 September 2019, replacing the previous plan for the period 2017-21. Its approval followed a period of discussion and external consultation that involved partners and the general public. In its preparation we sought to align our approach with that of the Shetland Partnership Plan.
- 3. Our Strategic Plan sets out five priorities for the period from 2019 to 2024, which are:
  - Innovate for heritage
  - Step up on biodiversity
  - Inspire wellbeing
  - Build communities
  - Foster partnership

4. The Trust's main areas of activity and the objectives associated with them are as follows:

#### **Shetland Museum and Archives**

- Tell Shetland's cultural and natural heritage story
- Provide a high-quality Museum and Archives service for the benefit of the public, in line with the contract between the Trust and SIC
- Safeguard, conserve, display, interpret and facilitate public access to the Shetland Museum and Archives 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
- Offer a programme of lectures on topics of local or wider interest
- Maintain links with schools and offer a range of educational resources
- Forge links with local museums and history groups
- Through links with national institutions, offer Shetland audiences exhibitions featuring nationally and internationally significant art and artefacts

## Interpretation, Promotion and Engagement

- Co-ordinate, facilitate and promote the provision of high-quality, brand-aligned interpretative materials and facilities relating to Shetland's culture and heritage
- Engage Shetland's community and visitors in the islands' natural and cultural heritage at significant sites and through events and festivals
- Promote the collection, understanding and use of place names and record evidence from oral and archive sources
- Support community groups and agencies in developing appropriate interpretation of Shetland's heritage and culture
- Support community museums and history groups by assisting with their running costs
- Ensure community and business engagement with Geopark Shetland
- Create and support a calendar of events, publications and products promoting Shetland's heritage and culture, in partnership with other organisations
- Promote and enable public access to our own sites, including Sumburgh Head Visitor Centre, Viking Haroldswick and Old Scatness Broch and Iron Age Village.
- Undertake natural and cultural heritage projects that benefit Shetland's environment and communities.

### Archaeology

- Develop and enhance the Shetland Sites and Monuments Record (SMR), adding new information and mapped site extents, as they come to light
- Use the SMR in assisting enquiries from people in all walks of life
- Develop and implement plans for the conservation and sustainability of Old Scatness
- Facilitate public access to Shetland's archaeology and heritage sites, including public opening; guiding tours and school groups at Old Scatness and other archaeological sites; and giving talks in schools and to general and academic audiences

- Facilitate, assist and monitor fieldwork undertaken by external research or commercial organisations
- Ensure Shetland's archaeology has a voice and is embedded in regional, national and international initiatives
- Promote and inform the public about Shetland's archaeology through the local press, social media, articles, publications and other interpretive materials.

## **Natural Heritage**

- Maintain the Shetland Biological Records Centre to collect, collate, manage and disseminate information about Shetland's flora, fauna, habitats and geology to support policy and decision- making and the conservation of biodiversity
- Raise awareness of, monitor and help safeguard Shetland's biodiversity and geodiversity
- Help build capacity within the community so that people may contribute to initiatives that
  record, monitor, safeguard and enhance biodiversity and are able to influence decisions
  that may have an impact on biodiversity
- Protect, develop and improve facilities, access and resources for the enjoyment by the public of the Shetland countryside and its flora and fauna
- Develop and undertake peatland restoration projects both to protect and enhance peatland habitats for wildlife and to mitigate global climate change by increasing carbon sequestration and storage in Shetland's peatlands
- Preserve and develop existing relict woodland and amenity plantings, and propagate and re-establish native and other trees to support woodland planting in Shetland
- Foster interest and engagement in trees and participate in international conservation strategies through the horticultural unit and support for tree-planting initiatives and grants
- Maintain stocks of plants that are endemic to, or rare in, Shetland and seek to translocate these back into the wild.

## **Environmental Improvement**

- Undertake the Dunna Chuck Bruck campaign and annual Voar Redd Up, supporting volunteers to collect rubbish and raise awareness of waste and its environmental impact
- Continue the valued Environmental Improvement Service, including the Trust's Authorised Treatment Facility in Yell
- Work with other local and national agencies to raise awareness of environmental campaigns and initiatives, supporting them locally where appropriate.

## **Grant Giving**

 Award grants to applicants who wish to undertake repairs to buildings and other structures that are of national or local heritage value. Grants are also awarded for other appropriate projects, including publications. The grant award process is discussed in greater detail in the 'Investments' section of this report.

## **Achievements and Performance 2019/20**

5. Throughout 2019/20, we continued to improve our ability to address challenges, including approving a new Strategic Plan and undertaking an independent governance review in line with the Scottish Governance Code for the Third Sector. This has resulted in an improved year-on-year performance. In the last weeks of the financial year, the Trust was faced with the Coronavirus, Covid 19 pandemic, and by the associated lockdown. Although it is too early to understand fully the impact of the pandemic, it is significant. With the support of the government furlough and loan schemes and our partners, we are confident that it will not prove fatal.

## **Shetland Museum and Archives**

- 6. A successful exhibition at the Shetland Museum and Archives was based around 2003 Turner Prize-winner Grayson Perry's two pieces, 'My Gods' and 'Aspects of Myself,' on loan from the Tate Gallery.
- 7. Public donations to the Shetland Museum and Archives significantly increased following improved promotion, principally the installation of a new and much more attractive donations box at the entrance, supported by prominent graphics on the adjacent wall. A 'donate' button has also been added to the website.
- 8. We welcomed 1,183 attendees to the Museum and Archives for workshop events. Our lecture programme had 12 talks with topics covering shipwrecks, Shetland dialect, Grayson Perry, genetics, and sea eagles, with a total of 684 attendees.
- 9. Our work with community groups included nine dementia therapy sessions on painting, supporting 32 people. We hosted five reminiscence sessions on topics including Up Helly Aa and football, attended by 60 people.
- 10. Throughout the year we saw 35 school visits (791 attendees). The most popular topics were Grayson Perry and Vikings. Other subjects included Lerwick history, farming, and fishing.
- 11. The Trust curates two nationally recognised collections on behalf of the SIC under a wider 25-year contract for museum and archive services. Shetland's textile heritage and archaeology are world-class, and this status has been recognised with two grants from Museums and Galleries Scotland for work on the Lace Knit collection and the Three Kirks Project involving ecclesiastical architecture in Shetland and Orkney.

## **Museum and Archives in statistics**

Site or activity	Number of Visitors or Participants			
	2018/19	2019/2020		
Shetland Museum	70,845	65,176		
Crofthouse Museum	3,231	3,982		
Collections Talks/Lectures Numbers	457	684		
Website Unique Users	36,426	44,545		
Photo Archive Unique Visits	28,595	20,826		
Archives Researchers	1,050	976		
Enquiries				
Object Identification Enquiries	246	175		
Collection Enquiries - By letter, email, phone or in person	230	341		
Outreach and Learning		-		
User numbers for school and formal education groups -to SMAA, CH, & outreach - <b>INTERNAL</b>	1,259	846		
User numbers for school and formal education groups -to SMAA, CH, & outreach - <b>EXTERNAL</b>	368	64		
User numbers for informal learning groups to SMAA, CH & Outreach – INTERNAL	1,299	1,919		
User numbers for informal learning groups - to SMAA, CH & Outreach – <b>EXTERNAL</b>	152	48		
Discovery Box Individual Users	156*	98		
Donations Received (artefacts)	295	503		
Number of Temporary Exhibitions	26	22		
School Visits - Including Outreach & Nursery	64	38		
Number of Pupils	1,627	846		
Children/Family/Workshops/Events	25	19		
Talks/Lectures - Internal & External	21	16		
Older People Events	20	11		
Facility/Event Bookings (all spaces)	247	236		
Donations Box	£9,594	£11,305		

#### **Natural Heritage**

- 12. The Ranger continued to support the aims of SIC in relation to countryside access. Key achievements included monitoring and undertaking repairs on the Core Path Network; chairing the SIC Access Forum and contributions to environmental monitoring under contract to SIC. In addition, he was involved in several interpretive events including the Shetland Nature Festival and Boat Week, mapping the condition of blanket bog, and updating a very wide range of leaflets on a rolling cycle. All this work is supported by the SIC.
- 13. The Peatland Action Project funded by Scottish Natural Heritage undertook two large-scale restoration projects at Strom and Dales Lees. Each dealt with almost 100 hectares of degraded peatland and both were completed using skilled local contractors.
- 14. Our Woodlands team has germinated several thousand trees to be planted as part of the MOREwoods grant schemes and supported several grant applicants to the MOREwoods project. The team also continued to manage a number of amenity plantings throughout Shetland. In addition, they have maintained important populations of Shetland's endemic and rare flowers held at the horticultural unit in Lerwick. Some of these were translocated back into the wild. Relict tree sites in Shetland were also monitored during the year.
- 15. Shetland Biological Records Centre has continued to screen all planning applications to assess whether they will have significant adverse impacts on biodiversity. This has led to modifications to proposals or changes of site where a rare species would otherwise have been lost. The Centre's staff also comment on draft SIC policies where they may affect biodiversity and monitor and recommend new Local Nature Conservation Sites which form part of the SIC Local Development Plan.
- 16. The Biological Records Centre database was updated with 12,277 additional records, bringing the dataset to 325,776 unique records about Shetland's natural heritage, submitted by 1,767 observers. This data set was shared with the Botanical Society of Great Britain and Butterfly Conservation for inclusion in the National UK Atlas. This work builds capacity in our community; enables initiatives that record, monitor, safeguard and enhance biodiversity; and influences decisions that may have an impact on biodiversity.
- 17. Responses were made to 123 requests for information or data searches. 530 planning applications were considered with 178 being screened against our database. Comments on the potential for adverse biodiversity impact of 24 applications were sent to the relevant planning authority.
- 18. Shetland Nature Festival took place in July 2019 and attracted over 1,000 participants to events throughout Shetland. The majority of attendees were Shetland residents and feedback was very positive.
- 19. Through a variety of approaches, including the services we provide and events such as exhibitions, we seek to engage Shetland's population in the protection of its landscape and environment. We continued to successfully operate the UK Government's Car Scrappage scheme across Shetland. The scrap car removal team, along with their crane-equipped lorry, are a familiar

- sight on Shetland's roads. The cars are taken back to our quarry storage facility on Yell for depolluting prior to crushing and onward transport for full recycling outwith Shetland.
- 20. We ran another successful Voar Redd Up in 2019, engaging over 4,500 volunteers who cleaned up over 48 tonnes of rubbish. This involved around one fifth of the islands' population, making it one of the UK's best supported community annual litter and beach clean-ups. The volunteer hours involved were approximately 13,500 equivalent to £120,000 in paid work. As always, we are enormously grateful both to the volunteers and the various sponsors who make this possible.
- 21. We offered for sale the redundant industrial buildings and site at Cunningsburgh that formerly housed the Enviroglass business. At the closing date of 27<sup>th</sup> March 2020, we had interest in the property. We hope to complete this disposal in 2020/21 and start the marketing and sale of other redundant assets.
- 22. The Trust achieved re-accreditation for the Shetland UNESCO Global Geopark for the next four years. This followed a rigorous assessment which required a five-day long inspection of the Geopark by UNESCO's qualified assessors.

#### **Cultural Heritage**

- 23. All the aims of the Creative Europe Follow the Vikings Project were successfully achieved. AT the year end, the only outstanding matter was the payment by Creative Europe of the final tranche of funding, which had been the subject of an appeal, following rejection of the initial claim. We believe that the information submitted should lead to the release of the funds in 2020/21. This was a complex project involving 13 partners and the Trust's role as lead partner has gained us valuable experience.
- 24. The Trust's archaeologists continue to provide the Regional Archaeology Service to the SIC in its role as Planning Authority. This involved screening 368 planning applications and 61 consultations using our SMR database. Thirteen archaeological recommendations were made. The section recommended the discharge of a further seven conditions, undertook 11 site visits and responded to seven pre-application consultations.
- 25. Our tradition of supporting academic work continued, with participation in the Scottish Islands Research Framework (SIRFA). This is a four-year project to capture the current state of the knowledge and understanding of archaeological research across Shetland, the Western Isles, and Orkney. This included a Shetland symposium attended by c.80 delegates of whom c.20 came from Shetland. The outcomes will be a published framework within the national Scottish Archaeological Research Framework (ScARF) led by the Society of Antiquaries of Scotland.
- 26. As part of our work on the impact of climate change on archaeology, we participated in the Climate Vulnerability Index assessment workshop for the Heart of Neolithic Orkney World Heritage site, as part of an invited expert panel.
- 27. Our regional archaeologist was invited to be a specialist reviewer of the report of the ICOMOS (International Council on Monuments and Sites) Climate Change and Heritage Working Group. 70 reviewers worldwide were asked to do this; she was one of six from Scotland.

- 28. We are founding members of the Climate Heritage Network, which is a global association of leading heritage bodies working to adapt to and mitigate the impacts of climate change on heritage assets and meet the goals of the Paris agreement. Our Chief Executive attended the inaugural meeting of the network in Edinburgh during 2019.
- 29. Maintaining the fabric of the buildings and property within the Trust's estate is a major challenge. To help manage this we are developing a 10-year building maintenance management plan. From February 2020, a Facilities Helpdesk has been in operation for maintenance tasks, enabling staff to report issues related to buildings, health and safety, building services, fleet and internal/specialist IT to a central hub/email address.
- 30. For more than 20 years, the Placenames project has been curating the evolution and history of Shetland's place names. Placenames are one of the most tangible reminders of the Norse period and an important element in Shetland's cultural heritage. Researchers have easy access to the records in the Archives.
- 31. Shetland Wool Week celebrated its 10<sup>th</sup> year in 2019 and continues to go from strength to strength, with over 1,000 participants from all seven continents. A couple travelled all the way from Antarctica and donated a copy of their book on traditional Antarctic knitting to the Trust. Half of delegates were from overseas and the remainder from the UK. The event contributes an estimated £2 million to the local economy and reflects growing interest in Shetland's textile heritage and Shetland wool. Participants are now staying longer when they visit Shetland and spending more. Wool Week took place over nine days with over 400 individual events, many provided by community groups and local businesses. We now have over 35,000 subscribers to our newsletter and over 29,000 followers on Instagram, both of which are valuable marketing tools for the local textile industry. The Wool Week Annual sold over 4,500 copies and membership and merchandise were positively received.
- 32. Shetland Boat Week attracted over 500 people per day to the Shetland Museum and Archives in August. As in previous years, the majority of attendees were Shetland residents. Feedback on the event was extremely positive.
- 33. Sumburgh Head Lighthouse and Visitor Centre attracted 6,330 visitors last year to explore the history and heritage of the lighthouse and the marine life centre; this was an increase of 18% on the previous year. Old Scatness was opened to the public for four days per week over the summer season with 1,326 visitors in total over the period. Both sites offered events and activities for families, including elements of the Shetland Nature Festival and booked tours. Training for guides was also implemented at both sites to develop and strengthen the relationship with local tour operators.
- 34. A heritage season ticket was launched, giving people access to all Shetland Amenity Trust sites including Sumburgh Head, the Crofthouse Museum and Old Scatness. The season ticket was launched part-way through the season and proved popular. Our physical and online shops were further developed, promoting a range of local heritage crafts, products and producers.

## **Digital Engagement**

35. We actively engage local residents and visitors with Shetland's heritage at our sites – the Museum and Archives, the Croft House Museum and Sumburgh Head. However, engagement with the public, volunteers and staff cuts across all aspects of our work, whether through events, activities, publications or media promotion. Increasingly, we have sought to engage our audiences online. We published 68 news articles and blogs and grew our online audience by up to 50% over a range of digital and social media platforms.

## **Our People**

- 36. The Trust could not achieve what it does without the people we employ. Caring for Shetland's heritage requires diverse skills, applied with energy, dedication and creativity. Over many years, our staff have improved Shetland's natural, built and cultural environments and deepened our understanding of them
- 37. It is also important to recognise that much of the Trust's work could either not be achieved, or would be much less effective, were it not for the help of thousands of unpaid volunteers. Whether taking part in Da Voar Redd Up, submitting biological records or helping at events such as Wool Week and Boat Week, we continue to be grateful for their time and energy.
- 38. The Trust relies on the contribution made by Trustees and we welcome interest from prospective new Trustees who can bring their skills and experience to bear on our work.
- 39. Staff development included participation with Shetland Arts and Shetland Recreational Trust in 'Lens', aimed at fostering creativity in project development. Staff and trustees were also able to learn more about aspects of the Trust's work through 13 informal Lunch and Learn sessions.
- 40. We made a number of improvements in human resources management, introducing the Breathe digital system. We established a new baseline in recording sickness absence, the rate for the year being 1.55%. 2019/20 will also be the baseline for accidents and incidents; there were 4.74 accidents or incidents per 100 employees, based on 2 occurrences.
- 41. We took our first steps towards ISO 9001 quality management accreditation and are grateful for practical help from Highlands and Islands Enterprise Manufacturing Advisory Service.
- 42. The Trust reviewed its Equality, Diversity and Inclusion, and Access Polices in January 2020 and November 2019 respectively. We will continue to work to ensure that all our employment practices are open and equal to all.

## **Gender Pay Gap Report**

43. The Shetland Amenity Trust considers it good practice to report on its gender pay gap possible and using this reporting year as a baseline it is our intention to report on our gender pay gap following the statutory conventions and take actions to ensure greater fairness in our pay.

- 44. For gender pay gap reporting we look at:
  - a. The difference (as a percentage) between the mean pay of men and women (mean Gender Pay Gap)
  - b. The difference (as a percentage) between the median pay men and women receive (the mid-point of the individual pay rates in the Trust ('median Gender Pay Gap')
  - c. The balance of men and women across our employees overall and in four equal-sized groups when ranked by pay ('quartiles')
- 45. It should be borne in mind that, in a relatively small staff complement, small differences or changes may be magnified. However, at 31<sup>st</sup> March 2020:

Mean Pay Gap				
-0.35%: This means that the mean h	nourly rate paid to women is 0.35% more than men.			
Median Pay Gap				
-5.84%: This means that the median	hourly rate paid to women is 5.84% more than men.			
Gender gap by quartile				
Lower Quartile	Male: 21%			
	Female: 79%			
Louis Middle Questile	Male: 67%			
Lower Middle Quartile	Female: 33%			
Linnar Middle Overtile	Male: 28%			
Upper Middle Quartile	Female: 72%			
Unner Quartile	Male: 56%			
Upper Quartile	Female: 44%			
Overall Conder split	Male: 28%			
Overall Gender split	Female: 72%			

- 46. The Scottish Government report the Median Gender Pay Gap as 14.3%.
- 47. The Trust is unusual in having a negative median gender pay gap. This is accounted for by the large number of women employed across the organisation.

## Measurement of the Achievement of Aims and Strategies

- 48. The new Strategic Plan now guides us in fulfilling our charitable objects. As we care for Shetland's natural and cultural heritage, we ensure that the work that we do is innovative, and that we protect and enhance biodiversity, inspire wellbeing, support and enhance communities and foster partnerships.
- 49. The activities identified in this Annual Report have all been taken forward in line with either the current Strategic Plan and associated objectives, or its predecessor.

- 50. We keep the Strategic Plan under review in order to align our work with changing circumstances, including the Trust's financial position and the lessons learned from performance monitoring. That will continue in 2020/21.
- 51. The Strategic Plan incorporates aims and measures of success for each of our priorities. Details of how our success is measured can be found in the plan. The Trust's Leadership Team evaluates progress against our aims and objectives at its weekly meetings and the Chief Executive prepares a report for each Trust meeting which highlights progress, outlines current challenges and expresses his view about the outlook. Reports are also prepared for our two major funders, Shetland Charitable Trust (SCT) and Shetland Islands Council (SIC), in compliance with the conditions attached to the grants they provide.
- 52. An annual review of the Business Plan will ensure that the day-to-day activities and available resources of the Trust are aligned to the Trust's objects and linked to the strategy.

## Subsidiary Companies - Hay's Dock Café Restaurant Ltd. and Robertson's (Lerwick) Ltd.

- 53. The Trust's subsidiaries, Robertson's (Lerwick) Ltd. and Hay's Dock Café Restaurant Ltd., have not been consolidated as both companies are not material to the group. At the financial year- end, both companies were in the process of being wound up.
- 54. The Hay's Dock Café and Restaurant had closed in October 2018 after a period of difficult trading. Throughout this reporting period, the facility was let to a tenant and traded as Emma Louise's Coffee Shop

#### **Investments**

- 55. The Shetland Amenity Trust is fortunate to have an endowment to help support its work. This fund was established in 1984 with an initial grant of £800,000 from SIC. The income from the fund has been used to support environmental and cultural heritage projects through a grants scheme administered by the Trust's Board.
- 56. The overall policy for the Trust's Grant Aid Endowment Fund is set by the Trustees, taking account of the terms set out by SIC. These are:
  - a. that all grants made by the Amenity Trust be in pursuit of the Trust's declared objectives as stated in the 1983/84 Annual Report:
    - I. the protection and improvement of buildings or artefacts of historic interest to ensure that they are retained in Shetland and wherever possible made freely available to the public.
    - II. the provision and improvement of facilities for the enjoyment by the public of the Shetland Countryside.
  - that on a year-to-year basis the Endowment Fund be not eroded (excluding any temporary reduction through bridging finance arrangements), and that grants therefore be restricted to interest earned; and,
  - c. that the Endowment Fund be invested in accordance with the investment powers available to the Trust, and that, apart from a sum of up to £100,000, the fund monies be

<sup>&</sup>lt;sup>1</sup> The Strategic Plan can be found online at <a href="https://www.shetlandamenity.org/strategic-plan">https://www.shetlandamenity.org/strategic-plan</a>

invested generally in long term securities unless in the opinion of the Trustees and their advisers a better return could be otherwise obtained; and that all investments be in pursuit of maximising the return to the Fund.

57. In accordance with the above, the fund is invested via an investment manager, Investec. It is a medium risk, broad-spread portfolio with a 10-year investment horizon, seeking to optimise income. In 2019/20, we received an investment income of £51,529 which supported payment of the following grants:

Awardee	Purpose	Amount
Mr. J G Halcrow	Stonework repairs King Harald Street, Lerwick	£5,000
Yell Community Council	War Memorial re-siting and restoration	£1,000
Eve Eunson	Fair Isle Chair Project	£1,086
Shetland Amenity Trust	New Boat Shed Mortgage	£9,500
Shetland Amenity Trust	Eshaness Lighthouse Mortgage	£750
Shetland Amenity Trust	New Project Development	£23,483
Total		£40,819

- 58. In accordance with the provision (b) relating to bridging finance, the Trust withdrew £200,000 in 2017 to assist in meeting particular financial challenges which occurred at that time. Whilst our financial performance has improved over the past three years, there has not yet been sufficient income to meet our aim of repaying the sum by reinvesting the income back into the fund. We believe that, with continuing improvement, we will commence reinvestment in 2020/21.
- 59. The Trust is reviewing its investment strategy with a view to achieving greater alignment with the Strategic Plan.

## **Financial Review**

- 60. At 31<sup>st</sup> March 2020, our surplus before depreciation, investment revaluations and actuarial gains, was £71,540 compared to a loss of £198,774 in the previous year. Whilst this is an improvement on the previous year, the Trustees recognise that the cumulative performance over past years will require us to take measures to continue to show improvement. We are urgently reviewing our financial reporting, in line with one of the recommendations in our governance review, to ensure the Trustees have accurate and timely financial data in order that strategic decisions can be taken with confidence.
- 61. We continue to receive, and are grateful for, substantial core funding from SCT. This amounted to £1,142,988 during 2019/20.
- 62. SIC supports the Shetland Museum and Archives service under a 25-year contract dated January 2003. For the 2019/20 year this amounted to £913,554.

- 63. The costs of running the Trust are significant and we are investing more time and effort in building our commercial income to offset the cumulative shortfalls in the funding received from both SIC and SCT. At the year-end, discussions were under way with both funding partners to ensure we can continue to meet our contractual obligations.
- 64. We retain an overdraft facility with the Clydesdale Bank Plc of £700,000, which is used to manage our cashflow between receipt of our funding which is twice-yearly tranches. Our overdraft position was £696,460 compared to the previous £630,929 in 2018/19. Our Trade Creditors position at 31 March 2020 was £114,235 compared to £201,745 in 2018/19.
- 65. We carry a significant level of debt, £981,753 as at year-end, as overdraft and mortgages. Plans have been approved by the Trustees to dispose of redundant assets which will see the sale of some buildings and a stock of architectural salvage materials in order to reduce our overall debt.

## **Risk Management**

#### **General Statement of Risk Appetite**

- 66. During 2019/20, the Board has considered the nature and extent of the principal risks the Trust is willing to take to achieve our Strategic Plan and maintain sound risk management and internal control systems.
- 67. The Trust has measures in place to identify, evaluate and mitigate risks. Principal among these is the Audit and Risk Management Committee, which regularly receives and carefully considers the Trust's corporate and operational risk registers. Mitigation measures are embedded in the risk registers. Our approach is designed to manage rather than eliminate risk and can only provide reasonable, not absolute, assurance.
- 68. We also understand that there is a balance between opportunity and risk. Our clear understanding of risk will enable us to identify, capture and exploit opportunities for the benefit of the Trust, our partners, and the people of Shetland.
- 69. We recognise the need to invest in both governance and the executive team to ensure that the Trust has the skills, knowledge, and experience to manage the strategic, corporate, and operational risks SAT has identified.
- 70. We operate in a largely stable local environment, but it can be affected by external events that are out with the Board's control. Our principal risks have been identified as:

#### 1. Governance

- a. Failure of Trust governance
- b. Failure of compliance and control systems
- c. Failure to deliver our strategy
- d. Loss of charitable status
- e. Unsustainable legacy liabilities

#### 2. Finance

- a. Increasing difficulty in securing local funding
- b. Loss of financial capacity
- c. Increasing difficulty in securing wider funding
- d. Failure to achieve commercial trading income

## 3. Operations

- a. Single points of failure
- b. Unreliability or vulnerability in information technology
- c. Failure of operational and project performance
- d. Dilution of Trust culture and/or capability
- 71. The Board has indicated that its appetite is:
  - Single project exposure is capped at £500,000 per annum
  - Property acquisition nil without lifetime funding
  - Multiyear commercial relationships three years
  - Long-term non-commercial partnerships five years
- 72. Other measures that assist in minimising risk include the Trust's commitment to a clear heritage vision as set out in its Strategic Plan; the undertaking of high-quality projects; and the ongoing identification of funding sources and opportunities. Over many years, the Trust developed an excellent track record in securing funding for projects and it seeks to adapt its fundraising to meet new challenges as they occur.
- 73. Internal risks are minimised by the implementation of procedures for authorisation of transactions and projects to ensure compliance with delegated authority and adherence to operational plans and budgets. These procedures are periodically reviewed to ensure that they still meet the needs of the Trust.
- 74. The 13 principal risks listed above are further subdivided in our corporate risk register to allow management and mitigation. Covid 19 was added as a principal risk in March 2020.

## 75. Having assessed the risks identified, the following are currently flagged as 'Red' for the Trust:

Title	Abbreviated Risk Description	Existing controls	Control Measures
Legacy Liabilities - Major Project hand overs	Lack of understanding of unresolved liabilities relating to building projects and lack of maintenance.	Limited controls: trusting contractors' paperwork and heavy reliance on external professional advice.	Costed maintenance programmes are now being built to give the Board visibility of liabilities.
Legacy Liabilities Property transfer	Many properties acquired for £1 may have significant additional and unavoidable costs associated with them.	None.	Property review under way but will take time to complete with limited resources.
Single Point of Failure - Personnel	If skills, knowledge, and contacts are lost, cost of re-acquiring them is significant.	No succession planning or adequate knowledge sharing.	Succession planning being developed will SPF risk.
Local Funding Environment	SIC's ability to fund the outputs of the Trust is dependent on its financial position	True cost and zero- based budgeting has not been done.	25-year SMAA contract will be reviewed by both parties in 2020.
EU Funding	The Trust receives significant funding from European Union grant funds.	The terms of the future UK/EU relationship are unknown.	This risk is outside the control of the Trust.
Lack of trading income	The risk that changes in visitor patterns may result in reduced income from trading activities	Retail is managed in house, each site managing its own retail operations.	We continue to improve our traditional and digital marketing offer.
Loss of financial capacity - cashflow	Failure adequately to forecast, manage or maintain sufficient liquidity and credit could affect our ability to operate and result in financial loss or inability to comply with our financial covenants.	Cashflow is managed daily with immediate exception reporting to CEO. Rolling cash position is reported to all ARC meetings.	Long-term agreements are in place with our principal funders; these are constantly reviewed New projects require clear funding plans with full cost-recovery.
Dilution of Trust culture and/or capability - succession planning	An inability to respond effectively to unplanned changes in our structure could adversely affect the delivery of our strategy and our day-to-day operations.	We have no succession plans.	Leadership succession plans and staff investment programmes are designed to ensure constant cover. Key relationships involve multiple managers.
Covid 19	The impact of C19 is unknown but likely to be material and very negative.	There are no formal control measures in place for this specific or generic risk.	Impact of no SWW, Nature Week, Boat Week, closing of sites etc. is being modelled We are looking at online and virtual events options.

## **Reserves Policy**

- 76. 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 long-term viability. The policy is that the Trust should hold adequate working capital levels for the continued operation of the Trust and completion of existing projects. The net value of reserves at the year-end was £8,894,798. This sum comprised £13,553,757 in restricted funds and (£4,658,959) a deficit in unrestricted funds.
- 77. The overall restricted fund of £13,553,757 takes account of a deficit of £2,154,623 arising directly from revaluation of properties in the year ended 31 December 2018. This reserve is entirely dependent on the fair values of the properties in question at each subsequent revaluation and would be met by outstanding funds in the restricted capital fund on the disposal of any such asset.
- 78. The overall deficit in unrestricted funds of £4,658,959 is after recognising the pension reserve liability of £3,283,000 (2019: £4,134,000). The defined benefit pension fund is controlled by SIC. The latest formal valuation of the Pension Fund was at 31st March 2020 and this is updated on a triennial basis. Hymans Robertson has reviewed the most recent full actuarial valuation and has updated it on an annual basis as at the Trust's balance sheet date to reflect current conditions.
- 79. Excluding the pension liability, unrestricted funds shows a deficit of £1,375,959 as at  $31^{st}$  March 2020. We aim to address this by:
  - negotiating improved funding packages with our partners;
  - increasing income from commercial activities;
  - building on our success in securing external grant aid;
  - disposing of redundant assets; and
  - continuously reviewing our operational strategies and plans.

#### **Looking Forward: Going Concern Statement**

- 80. The Trust will face uncertainties and challenges over the coming years. These are as follows:
  - The ongoing Covid 19 pandemic is affecting our ability to trade or run large events
  - Our success rate in seeking support from other government-backed third-sector grant schemes to support us through the Covid 19 pandemic has been poor
  - Our overdraft facility is due for renewal on 6<sup>th</sup> November 2020
  - Our mortgage is due to be renewed in March 2021
  - We have an unrestricted funds deficit.
- 81. Our plans to mitigate these uncertainties and challenges are as follows:
  - The Trust's Leadership Team have undertaken a sensitivity analysis of the impact of the Covid 19 pandemic on our future operations, reviewing our ability to fulfil the obligations under SCT grant and SIC contract conditions, as well as meet any additional needs through commercial trading activity
  - The introduction of online fund-raising in March 2020 has offset reduced donations from visitors to our sites
  - Savings in overheads, arising from the closure of our sites, has partly compensated for lost income from events and accommodation letting

- We have used the income from the Coronavirus Job Retention Scheme (furlough) to mitigate staff costs during closure
- Losses arising from retail and event sales are being mitigated by implementing additional digital marketing and membership schemes; these are proving successful
- We have regular communication with our bankers and have received confirmation that we have their continuing confidence and support
- An active dialogue with both the SIC and SCT indicates their continued long-term support for the Trust
- The ongoing redundant asset disposal /debt reduction programme will focus on the long-term viability of the Trust's activities
- After redundant asset disposal which is expected to net circa £350,000 based on the 2017/18 independent valuation from FG Burnett – we shall retain a strong balance sheet. The principal use of these funds will be to reduce our overdraft debt
- A further review of Trust activities will be required in 2020/21.

## **Plans for Future Periods**

- 82. Our new five-year Strategic Plan aligns our strategic goals with those in Shetland's Partnership Plan. We believe that a well-maintained and presented heritage, in which the community is engaged and of which it can be proud, will support the vision of the Partnership Plan to ensure that 'Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges'. The Shetland Amenity Trust is not a statutory body, nor are our purpose and goals the same as Shetland's statutory agencies. Nevertheless, we believe that our voluntary alignment with the Partnership Plan is important as it ensures we are addressing the community's priorities and reflecting the agreed approach of the agencies, statutory and non-statutory.
- 83. As explained in paragraph 3, we have established five priorities. The associated aims are set out below:
  - Innovate for *Heritage*: We aim to ensure our heritage is more resilient to economic, social and environmental impacts
  - Step up on *Biodiversity*: We aim to ensure our unique biodiversity is protected, enhanced and restored
  - Inspire Wellbeing: We aim to encourage improved mental and physical wellbeing through engagement with Shetland's heritage
  - Build *Communities*: We aim to support and enhance sustainable communities through Shetland's heritage
  - Partnership: We aim to further Shetland's heritage through effective collaboration and partnership

84. We can expect to face a succession of new challenges, among which the Covid-19 pandemic is an example. We know that we shall have to be responsive and flexible in adjusting our operations. That approach, alongside the new strategy and an improved overall business performance, gives the Trustees confidence that the Shetland Amenity Trust has a successful and relevant future ahead of it.

## Coronavirus - Covid 19

- 85. The full impact of the virus on the Trust's ongoing viability is uncertain, at the time of finalising this report (August 2020). With restrictions on people's movement meaning both locals and visitors are unable to enjoy our services, it is expected to be negative and will require careful and informed choices by the Board. The Trust will need to review the ways in which it can address the priorities set out in our Strategic Plan. We shall do what is required to ensure that the Trust remains viable and, can continue to play a valued part in our society and economy far into the future.
- 86. Our operations have been affected in several ways:
  - All sites were closed from mid-March 2020;
  - Where practicable, staff have been working from home;
  - 32 staff were furloughed under the Government Coronavirus Job Retention Scheme but it was not possible to furlough staff who were majority funded by public money, predominantly those who work under the contract with SIC for the provision of Museum and Archives services;
  - The Shetland Museum and Archives and Sumburgh Head Lighthouse reopened in July 2020 with measures in place to protect staff and customers (e.g. advance booking to visit the museum and archives);
  - Our Camping Böd network will not reopen in 2020 but we intend to reopen Lighthouse selfcatering accommodation before the end of the summer season.
- 87. The trust has received one Scottish Government Small Business Grant and further, smaller grants have been sought from specialist support programmes. A loan has also been negotiated under the UK Government's Bounce Back loan scheme.
- 88. A Local Giving online donation page<sup>2</sup> was established and donation buttons have been added to other web pages. By July 2020, £11,000 had been received (2019/20 full year museum donation £11,350).
- 89. The Shetland Wool Week, Shetland Nature Festival and Shetland Boat Week were cancelled. However, online membership of the former has been opened and a special pandemic edition of the Shetland Wool Week Annual is being published; at the time of writing, both products are selling well. Several online Wool Week events are being considered.

<sup>&</sup>lt;sup>2</sup> The Local Giving page can be found at https://www.shetlandamenity.org/donate

## Structure, Governance and Management

## **Trustees and Organisational Structure**

- 90. The Trust is an unincorporated Scottish Charity, originally registered as a Charity on 10th January 1983, Scottish Charity Number SC017505.
- 91. The Trust Deed allows for up to twelve Trustees to be appointed. Trustees are appointed for the period of four years, when they can stand for re-election. No Trustee may serve for more than three successive four-year terms. New Trustees are appointed after advertising for interest in the local paper prior to the AGM. Nominations must be made on the official nomination form and elections are held by secret postal ballot. These ballots are opened and counted at the Trust's AGM.
- 92. New Trustees receive relevant strategic documents and are invited to meet the Trust's Chair and CEO to discuss the work of the Trust and their roles and responsibilities as a Trustee, including their legal obligations. Training for Trustees is provided as necessary.
- 93. The Trustees are responsible for the governance of the Trust and meet on a bi-monthly basis.
- 94. The Chief Executive Officer takes responsibility for the day-to-day operation of the Trust and manages the staff of the Trust on behalf of the Trustees.
- 95. The staff pay rates are currently benchmarked against the local authority's pay scale rates and adjusted as appropriate.

#### **Governance Review**

- 96. During the reporting period an independent governance review was conducted by Compass Partnership in line with the Scottish Governance Code for the Third Sector.
- 97. The Code focuses on five core principles for good governance:

**ORGANISATIONAL PURPOSE** - A well-run board is clear about the purpose and values of the organisation and how it will achieve its aims.

**LEADERSHIP** - A well-run board is clear about its role and responsibilities and provides strategic direction in line with the organisation's purpose, vision, and values.

**BOARD BEHAVIOUR** - A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness, and accountability.

**CONTROL** - A well-run board will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.

**EFFECTIVENESS** - A well-run board understands its role, powers and duties and works collectively and proactively, to achieve its organisational purpose

98. Our independent review concluded that SAT has a board of appropriate size, a dedicated chair and board members who are committed to strengthening governance. Meetings are well-attended, and papers are generally of a high standard. The organisation has a clear strategy and carefully considers its responsibilities to the wider community.

- 99. The key recommendations were contained in a report that, but for the intervention of the Covid-19 pandemic, would have been discussed at a workshop hosted by Compass on 27<sup>th</sup> March 2020. It was not possible to hold that event; however, at the time of finalising this report, Trustees had established a working group to review the recommendations and prepare an action plan. Considerable work had been undertaken in pursuit of the second recommendation relating to finance. The recommendations were as follows:
  - a) The Board and executives should discuss their respective roles to ensure that board time is focused on the most strategic issues, where it can add greatest value, and operational matters are delegated to the executives.
  - b) Urgent action should be taken to improve financial reporting and training commissioned to help trustees gain a better grasp of the financial situation.
  - c) An annual cycle for board meeting agendas should be introduced to ensure all important topics are covered during the course of the year.
  - d) The Board should agree a routine for brief sessions with the Chief Executive alone and then Trustees alone at the end of one or two meetings per year.
  - e) A Governance Committee should be established to oversee implementation of the action plan from this review, and to have responsibility for succession planning, induction, developing an appraisal system and continuing professional development for the Board and Trustees.
  - f) The Board should periodically discuss its own performance and agree actions for continuous improvement.
  - g) The Board should have an action plan to implement all of these recommendations over the next 12 months.

## **Relationships with Related Parties**

- 100. 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 objects.
- 101. The Trust maintains a record of Trustees' interests, including any relationship they may have with parties transacting business with the Trust. Trustees are expected to declare any potential or actual conflict of interest.

## **Reference and Administrative Information**

Trustees and Senior Stat					
Trustees	Ruth Mackenzie – co-opted May 2016 – resigned March 2020				
	Alastair Hamilton – September 2015 - present				
	Andrew Blackadder – March 1988 – term of office ended August 2019				
	Richard Jones – June 2018 – present – resigned November 2019				
	Pauline Megson – October 2017 - present				
	Alison Moncrieff – June 2018 - present				
	Linda Riddell – October 2017 - present				
	Frank Robertson – August 2012 - present				
	Marek Barecki – September 2019 - present				
* . 11	Neville Martin – September 2019 – present				
1 1	Winston Brown – September 2019 – resigned April 2020				
-0	Jonathan Williamson – September 2019 – present				
Leadership Team	Mat Roberts, Chief Executive Officer				
	Tracey Leslie, Head of Business Services				
	Adam Johnson, Head of Operations				
v.	Davy Cooper, Head of Development				
s	Sandy Middleton, Head of Engagement				

Professional Advice	Organisation
Auditors	The A9 Partnership Ltd., 47 Commercial Road, Lerwick, Shetland ZE1 ONJ
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

Administrative Détails	
Founding Trust Deed	Registered BC&S on 10 <sup>th</sup> January 1983
Supplementary Trust Deed	Registered BC&S on 17 <sup>th</sup> August 1993
Scottish Charity Number	SC017505
VAT Registration Number	716 8439 12
Principal Office	Garthspool, Lerwick, Shetland, ZE1 ONY

## Statement of Trustees' Responsibilities

- 102. The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
- 103. The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:
  - select suitable accounting policies and then apply them consistently;
  - observe the methods and principles in the Charities SORP 2019 (FRS102);
  - make judgements and estimates that are reasonable and prudent;
  - state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
- 104. The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the terms of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 105. The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by Trustees on 14<sup>th</sup> September 2020

Mr Alastair Hamilton

Acting-Chair and authorised signatory

## Independent Auditors Report to the Trustees: Year Ended 31 March 2020

#### **Opinion**

We have audited the financial statements of Shetland Amenity Trust for the year ended 31<sup>st</sup> March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2020, and of its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### Basis for opinion

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

#### Material uncertainty related to going concern

We draw attention to note 1 (a) in the financial statements, which highlights the effects that the COVID-19 pandemic has had on the charity's operating environment. The charity is dependent on overdraft funding provided by bankers, which is due to be reviewed in the next six months. Further, the charity has as a significant deficit in unrestricted reserves which stand in a deficit position of £4,658,959. Of this amount, £3,283,000 relates to the defined benefit pension liability. This deficit continues to be addressed by deficit recovery contributions spread over 20 years. Remaining deficit unrestricted funds total £1,375,959. As stated, these conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a detailed review of budgets and cash flow projections, as well as discussions with management surrounding future funding and operations. The impact of COVID19 restrictions and funding support received by the charity were also reviewed in detail.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

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

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

We have nothing to report in this regard.

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

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 23, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

The A9 Partieship hunted

THE A9 PARTNERSHIP LIMITED

Chartered Accountants & Statutory Auditor

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

2006.

47 Commercial Road Lerwick Shetland ZE1 ONJ

17th 6gotember 2020

#### STATEMENT OF FINANCIAL ACTIVITIES

### YEAR ENDED 31 MARCH 2020

	Note	Unrestric Fund £		stricted unds	Restricted Capital Grant Funds £	Restricted Endowment Funds £	2020 Total Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM:		-		-	-	-	-	
Donations and legacies	2	15.	037		2	-	15,037	10,414
Charitable activities	3	1,147,		318,402	3,300		3,469,229	3,151,192
Other trading activities	4	176,		-	**************************************	141	176,798	166,367
Investment income	5		58	51,529	<u> </u>		51,587	52,170
Total income and endowments		1,339,	420 2,	369,931	3,300		3,712,651	3,380,143
EXPENDITURE ON:								
Raising Funds	6	145,	118	-	2	S (2)	145,118	157,657
Charitable activities	7	1,493,	427 2,	303,315	ū.		3,796,742	3,619,680
Bad debt write off	8	-					<del></del> .	132,752
TOTAL EXPENDITURE		1,638,	545 2,	303,315			3,941,860	3,910,089
NET (EXPENDITURE) BEFORE								
GAINS AND LOSSES ON INVESTMENTS		( 299,	125 )	66,616	3,300	- (	229,209 )(	529,946 )
Net (losses)/gains on investments	14					(222,820 ) (	222,820 )	41,364
NET (EXPENDITURE) FOR THE YEAR		( 299,	125 )	66,616	3,300	( 222,820 ) (	452,029 )(	488,582 )
Gross transfers between funds	27	365,	141	7,143	372,284	<u> </u>		- <u>M</u>
NET (EXPENDITURE)		66,	016	73,759	368,984 )	222,820 ) (	452,029 )(	488,582 )
OTHER RECOGNISED GAINS AND (LOSS Actuarial gains/(losses) on defined								
benefit pension scheme	23	851,	000				851,000 (	1,149,000 )
NET MOVEMENT IN FUNDS		917,	016	73,759	368,984 )	222,820 )	398,971 (	1,637,582 )
RECONCILIATION OF FUNDS TOTAL FUNDS BROUGHT FORWARD AT 1 APRIL 2019		(5,575,	975)(1,	945,208 )	14,861,733	1,155,277	8,495,827	10,133,409
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2020	27	( 4,658,	959)(1	.871,449 )	14,492,749	932,457	8,894,798	8,495,827

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 31 to 47 form part of these accounts

#### BALANCE SHEET

#### YEAR ENDED 31 MARCH 2020

		20	20		2019
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	12				(2)
Tangible assets	13		12,287,571		12,582,820
Endowment Investments (at market value)	14		932,457		1,155,277
Other Investments	15		-		5,601
Total fixed assets			13,220,028		13,743,698
CURRENT ASSETS					
Stocks	16	104,363		120.050	
Debtors	17	376,153		128,058	
Cash at bank and in hand	18	1,662		178,635	
Total current assets	10	482,178		<u>111,545</u> 418,238	
Total carrent assets		402,170		418,236	
LIABILITIES:					
Creditors: Amounts falling due within					
one year	19	( 1,514,384)		( 1,246,807 )	
		84		0 <del>-2-3-3-3-3</del> -3-	
NET CURRENT LIABILITIES			(1,032,206_)	Ţ	828,569 )
TOTAL ASSETS LESS CURRENT LIABILITIES			12,187,822		12,915,129
Creditors: Amounts falling due within					
more than one year	20		(10,024_)	(	285,302)
NET ASSETS EVOLUDING DENSION LIABILITY			42 422 200		
NET ASSETS EXCLUDING PENSION LIABILITY			12,177,798		12,629,827
Defined benefit pension scheme liability	23		( 3,283,000 )	,	4 124 000 \
betimed betient pension seneme hability	23		(	•	4,134,000
TOTAL NET ASSETS/(LIABILITIES)			8,894,798		8,495,827
· · · · · · · · · · · · · · · · · · ·					
THE FUNDS OF THE CHARITY					
Endowment Fund	27		932,457		1,155,277
Restricted Income Funds	27		283,174		209,415
Restricted Capital Funds	27		14,492,749		14,861,733
Restricted Revaluation Reserve	27		(2,154,623_)	(	2,154,623 )
			13,553,757		14,071,802
Capital on Formation	27		2		100
Capital on Formation	27		1	68	1
Unrestricted income funds excluding pension liabilit Pension reserve	27 27		( 1,375,960 )	(	1,441,976 )
I CHOIGH I COCIVE	21		(3,283,000 )	(	4,134,000 )
			( 4,658,959 )	(	5,575,975 )
TOTAL CHARITY FUNDS			8,894,798		Q /IQE 927
			3,034,730		8,495,827

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

TRUSTEE

TRUSTEE

DATE

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The notes on pages 31 to 47 form part of these accounts

### STATEMENT OF CASH FLOWS

## YEAR ENDED 31 MARCH 2020

	Note		2020 £		2019 £
Cash flows from operating activities: Net cash provided by/(used in) operating activities	29	(	215,942 )	C	494,588 )
Cash flows from investing activities Dividends, interest and rents from investments Purchase of property, plant and equipment Proceeds from sale of property, plant and equipment Proceeds from sale of investments Purchase of investments and additional cash available Net cash provided by investing activities		(	51,587 5,500 ) - 102,230 83,088 ) 65,229	(	52,170 6,388 ) 22,676 50,180 39,790 ) 78,848
Cash flows from financing activities Repayment of borrowing Interest paid Net cash provided (used in) investing activities		(	11,287 ) 11,767 ) 23,054 )	(	10,906 ) 21,426 ) 32,332 )
Change in cash and cash equivalents in the reporting	period	(	173,767 )	(	448,072 )
Cash and cash equivalents at 1st April 2019  Cash and cash equivalents at 31 March 2020		(	508,851 )	(	60,779 ) 508,851 )

The notes on pages 31 to 47 form part of these accounts

#### NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2020

#### 1. ACCOUNTING POLICIES

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

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

The accounts are prepared on a going concern basis 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 in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The impact of the Covid 19 pandemic and associated lock down procedures has had a significant impact upon the Trust, including the closure of sites, furlough of staff and the associated reduction in income for the Trust. As discussed in detail within the Annual Trustees' Report, the ongoing pandemic and the likelihood of further constraints on the Trust's ability to trade create uncertainty, particularly over the level of commercial income that can be secured through retail and large scale public events. The Trust continues to be reliant upon the overdraft facility, which is due for renewal in November 2020. The Trustees believe that the Trust maintains the confidence and support of the Trust's bankers. The forecasts and projections prepared show that the Trust should be able to operate within the level of its current overdraft facility.

The Trust is reliant on external grant funding, and key funding is provided by the Shetland Charitable Trust and the Shetland Islands Council. In relation to the provision of the Shetland Museum and Archives Service, the funding is considered to be secure.

The Trust also has a significant deficit level of unrestricted reserves. £3,283,000 of this is caused by the Defined Benefit Pension Fund. The Trustees consider this to be a long-term liability, unlikely to crystallise in the period of twelve months from the date of approval of the financial statements. The deficit per the actuarial valuation as at 31 March 2020 is being addressed by deficit recovery contributions spread over 20 years. The certified contribution rates, which are agreed on a three-yearly basis, include the deficit recovery contributions.

Taking these points into consideration, and the additional detail included in the Trustees' Annual Report, the Trustees have a reasonable expectation that the Trust 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

The charity's subsidiaries, Robertsons (Lerwick) Ltd and Hay's Dock Café Restaurant Ltd have not been consolidated as the companies are both considered not to be material to the group. Both companies are in the process of being wound up at Companies House.

#### NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2020

#### 1. ACCOUNTING POLICIES (continued)

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

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

#### d) Income

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

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

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

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

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

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

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

#### e) Expenditure

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

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

## f) Termination Benefits

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

## NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2020

#### 1. ACCOUNTING POLICIES (continued)

#### g) Grant Aid

Grant Aid is accounted for when committed.

#### h) Operating Leases

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

#### i) Value Added Tax

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

#### j) Pensions - Defined Benefit Scheme

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

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

#### k) Donated Goods and Services

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

#### I) Tangible Fixed Assets

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

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

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

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

Heritable Property - straight line over the useful life of the building, varying from 10 to 15 years

Long Leasehold Property - straight line over the remaining useful life, deemed to be 40 years

Equipment - 10 - 20% straight line Motor Vehicles - 20% straight line

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

## NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2020

#### 1. ACCOUNTING POLICIES (continued)

#### I) Intangible Fixed Assets (continued)

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

#### m) Intangible Fixed Assets

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

#### n) Investments

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

Investments in subsidiaries are stated at cost.

#### o) Stock

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

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

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

#### p) Debtors

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

#### q) Cash at Bank and in Hand

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

#### r) Liabilities

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

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

Measurement: the amount of the obligation can be measured or estimated reliably.

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

#### NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31 MARCH 2020

#### 1. ACCOUNTING POLICIES (continued)

#### s) Funds

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

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

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

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

#### t) Foreign Currencies

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

#### u) Financial Instruments

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

## NOTES TO THE FINANCIAL STATEMENTS

# YEAR ENDED 31 MARCH 2020

2	DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	Restricted Capital Grant Funds £	Restricted Endowment Funds £	2020 Total Funds £	2019 Total Funds £
	Donations	15,037				15,037	10,414
		15,037				15,037	10,414

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

In 2019, all income from donations and legacies was attributable to unrestricted funds.

3	INCOME	FROM	CHARITABLE	ACTIVITIES
---	--------	------	------------	------------

	Unrestricted Funds	Restricted Funds	Restricted Capital Grant Funds	Restricted Endowment Funds	2020 Total Funds	2019 Total Funds
Grant Funded Income	£	£	£	£	£	£
Shetland Charitable Trust		1,142,988	2	2	1,142,988	1,189,045
Shetland Islands Council	8	7,384	· E.	0 5	7,384	4,061
Scottish Natural Heritage - Peatlands		34,057			34,057	55,604
EU Creative - Follow the Vikings	9 a	77,086		-	77,086	132,925
Causeway Coast - Drifting Apart	-	-	-		140	82,097
Historic Scotland	≅		(2)	~	(2)	11,416
Grant Aid Account	-	31,410	121	9	31,410	45,360
Other Grants		50,173	3,300		53,473	109,612
		1,343,098	3,300		1,346,398	1,630,120
Other income from charitable activities						
Shetland Islands Council	-	975,304	-	9	975,304	947,898
Commercial Operations	1,147,527		<u>:</u>		1,147,527	573,174
	1,147,527	975,304			2,122,831	1,521,072
Total charitable activities	1,147,527	2,318,402	3,300	-	3,469,229	3,151,192

In 2019 £2,578,018 of income from charitable activities was attributable to restricted funds. The balance of £573,174 was attributable to unrestricted funds.

## 4 OTHER TRADING ACTIVITIES

Bank interest

Total investment income

5

Museum shop - sale of goods	127,331	-		15	127,331	80,414
Sumburgh Head - sale of goods	49,467	17			49,467	85,953
Total other trading activities	176,798			<u> </u>	176,798	166,367
All trading income in 2019 was considered t	o be unrestricted fund	ds.				
INVESTMENT INCOME						
Investments listed on a recognised stock exchange	-	51,529	941		51,529	52,097

58

52,170

51,587

In 2018, investment income of £52,097 was considered to be restricted funds. The remaining £73 was considered to be unrestricted funds.

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2020

6	EXPENDITURE ON RAISING FUNDS  MUSEUM SHOP	Unrestricted Funds £	Restricted Funds £	Restricted Capital Grant Funds £	Restricted Endowment Funds £	2020 Total Funds £	2019 Total Funds £
	Museum Shop	63,727	-	-		63,727	48.650
	Sumburgh Head Operational Budget	81,391				81,391	109,007
		145,118				145,118	157,657

All expenditure on raising funds in 2019 was considered to be unrestricted funds.

# 7 EXPENDITURE ON CHARITABLE ACTIVITIES

		Unrestricted Funds £	Restricted Funds £	Restricted Capital Grant Funds £	Restricted Endowment Funds £	2020 Total Funds £	2019 Total Funds £
Activities Undertaken Direct	ly						
Shetland Museum and Archi	ves	-	51,724		170	51,724	97,116
Other Grant Funded Projects	and Services	(12)	160,001	=	0.5	160,001	332,928
Commercial Operations		859,168	-		(-)	859,168	295,544
Direct Charitable Wages and	Salaries	44,814	1,092,149	2	15	1,136,963	1,236,071
Depreciation		300,749	121	台	2	300,749	331,172
Grant Aid	#REF!		10,250	8	0.5)	10,250	75,498
Support costs							
Governance	9	X <del>.5</del> .	49,248	-	1-1	49,248	34,060
Finance and Office Administr	ration	288,696	228,001	Ψ ,	. 12	516,697	497,029
Fleet Management		79	39,663	2	12	39,663	37,996
Repairs and Maintenance		-	58,436	ě	151	58,436	68,948
Support Wages and Salaries		6	613,843		100	613,843	613,318
				7			
		1,493,427	2,303,315		-	3,796,742	3,619,680

In 2019, £2,639,118 of expenditure on charitable activities was attributable to restricted funds. The balance of £980,562 was attributable to unrestricted funds.

## 8 BAD DEBT WRITE OFF

In the prior year the wholly owned subsidiary, Hay's Dock Café Restaurant Limited, ceased trading. As a result of this decision, the credit facility historically extended by the Charity to its subsidiary was recognised as a bad debt. This amounted to £132,752.

9	GOVERNANCE COSTS	Unrestricted Funds	Restricted Funds	Restricted Capital Grant Funds	Restricted Endowment Funds	2020 Total Funds	2019 Total Funds
		£	£	£	£	£	£
	Auditors Remuneration						
	Audit Fees	-	9,500	=	(e)	9,500	8,700
	Assurance Services other than audit		7,305	2	1001	7,305	2,950
	Tax Advisory Services	-	-	2	920	=	.=0
	Other Financial Services	39	7,746	÷	2752	7,746	7,345
	Other Governance Costs						
	Trustees Allowances and Expenditure	-	598	=		598	1,887
	Other Trustee Costs - Recruitment	-	142	2		142	950
	Other Trustee Costs - Trustee Indemnity Insu	(4)	4,302	2		4,302	1,228
	Other Trustee Costs - Governance Review	12	10,163	9	-	10,163	
	Other Trustee Costs - Board Intelligence Tool	-	9,492			9,492	11,000
		-	49,248	-	-	49,248	34,060

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

During the year, reimbursements were made to 10 trustees totalling £598 (2019: 3 trustees totalling £1,887). An additional £142 (2019: £950) was paid in relation to advertising for new trustees.

Trustees are not remunerated by the Trust.

# NOTES TO THE FINANCIAL STATEMENTS

# YEAR ENDED 31 MARCH 2020

# 10 STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2020	2019
	£	£
Wages and salaries	1,452,086	1,546,640
Employer's National Insurance	127,027	138,236
Pension contributions (including operating costs of defined benefit pension scheme)	224,379	234,758
	1,803,492	1,919,634

Redundancy costs for the year were £nil (2019: £52,791). These were accounted for when paid and calculated in the statutory method. Redundancy costs were met with funding from the charity's commercial operations.

	2020 No.	2019 No.
The average number of employees employed during the year was	60	64
The number of higher paid employees was Taxable emoluments band £60,000 - £70,000	1	1
The number of higher paid employees accruing benefits under defined benefit pension schemes	1	1

The total employment benefits, including employer's pension contributions, of key management personnel was £311,156 (2019: £343,833).

# 11 GRANT AID - GRANTS PAID/COMMITTED

	Committed at	Awarded		Grants	Paid	Committed at	
	1 April 2019	during year		written off	during year	31 March 2020	
	£	£		£	£	£	
SAT Viking Unst	. 15,000	22	(	15,000 )	120	-	
Shetland Boat Week	2,159	age of the second	(	2,159)	-	-	
SAT Project Development	12,000	-	(	4,000 ) (	8,000 )	-	
SAT Property Acquisition	10,500	n.		- (	10,500 )	(14)	
SAT Boat Building Store	·**	9,500		- (	9,500 )	-	
SAT Project Support	922	-		- (	922 )	72	
SAT Project Support 2019/20	4,061	×		- (	4,061)	-	
SAT Drifting Apart	4,170	12		2	-	4,170	
SAT Eshaness Lighthouse	2	750		- (	750 )		
Stonework repairs	5,000	a		- (	5,000 )	-	
Eve Eunson - Fair Isle Chair Project	1,086			- (	1,086 )	-	
SMAA - Jenny Gilbertson Digitisation	1,500	*		-	120	1,500	
Yell Community Council	1,000			- (	)		
	57,398	10,250	(	21,159 )	40.819	5.670	

	Committed at 1 April 2018 £	Awarded during year £		Grants written off £	Paid during year £	Committed at 31 March 2019 0
SAT Viking Unst	15,000			-	(4)	15,000
Shetland Boat Week	7,500			- (	5,341)	2,159
Edinburgh World Heritage Trust	4,000	-	(	4,000 )		5.20
SAT Project Development	-	12,000		_	-	12,000
SAT Property Acquisition	(2)	10,500		727	-	10,500
SAT Boat Building Store	4 12	9,500		- (	9,500 )	-
SAT Project Support	-	35,281		- (	34,359)	922
SAT Project Support 2019/20		4,061				4,061
SAT Drifting Apart	4,170	-			(2)	4,170
SAT Eshaness Lighthouse	750	750		- (	1,500 )	
Stonework repairs	5,000	<u></u>		-	-	5,000
Claire White - Shetland Song	123	2,733		- (	2,733 )	
Eve Eunson - Fair Isle Chair Project	272	2,173		- (	1,087)	1,086
SMAA - Jenny Gilbertson Digitisation	100	1,500		-		1,500
Yell Community Council	-	1,000	12	-		1,000
	36,420	79,498	( _	4,000 ) (	54,520 )	57,398

#### NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2020

## 11 GRANT AID - GRANTS PAID/COMMITTED (continued)

#### **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 dependent on the level of investment income received and can vary 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.

## 12 INTANGIBLE FIXED ASSETS

	COST			Museum & Archives Branding Branding £	Glass Recycling Centre £	Total £
	At 1st April 2019			34,746	300	35,046
	At 31st March 2020			34,746	300	35,046
	DEPRECIATION				•	
	At 1st April 2019			34,746	300	35,046
	At 31st March 2020		10	34,746	300	35,046
	NET BOOK VALUE At 31st March 2020					
	At 31st March 2019					_
13	TANGIBLE FIXED ASSETS	Heritable Property	Long Leasehold Property	Equipment	Motor Vehicles	Total
	COST	£	£	£	£	£
	At 1st April 2019 Additions Disposals	12,197,500	550,000 - -	2,809,562 5,500	191,476 - -	15,748,538 5,500
	At 31st March 2020	12,197,500	550,000	2,815,062	191,476	15,754,038
	DEPRECIATION					
	At 1st April 2019 Provided in the year Disposals	407,811 271,874	16,875 11,250	2,574,089 9,759	166,943 7,866	3,165,718 300,749
	At 31st March 2020	679,685	28,125	2,583,848	174,809	3,466,467
	NET BOOK VALUE					
	At 31st March 2020	11,517,815	521,875	231,214	16,667	12,287,571
	At 31st March 2019	11,789,689	533,125	235,473	24,533	12,582,820

All fixed assets are used directly for charitable purposes.

The Museum and Archives Collections remain the possession of 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 the service level agreement.

The net book value of tangible fixed assets pledged as security detailed in note 21 is £1,111,875. Should the building at Garthspool, included within Leasehold Property above, with a net book value of £521,875, be sold or transferred, any proceeds from such a transaction are immediately payable to the Shetland Charitable Trust in accordance with grant documentation accepted on 14th May 1999.

All Heritable and Leasehold Property was revalued at 30 September 2017 by FG Burnett, independent valuers not connected with the charity on the basis of Fair Value. The valuations have been prepared in accordance with the contents of the RICS Valuation - Professional Standards UK July 2017 and specifically the appropriate basis of valuation under the Financial Reporting Standards (FRS). The carrying value of those assets revalued that would have been recognised had the assets been carried under the cost model, and the charity's previous accounting policies, totals £15,786,056. The trustees are of the opinion that the valuation of such buildings has not materially changed since the last valuation.

# NOTES TO THE FINANCIAL STATEMENTS

# YEAR ENDED 31 MARCH 2020

14	ENDOV	VMENT INVESTMENTS		202	10	20	019
				£	£	£	£
	Market	t Value at 31st March 2019			1,155,277		1,113,913
	Less:	Disposals at opening book value					
		Proceeds		102,230		50,180	
		(Loss) on disposals	(	13,678)(	88,552 ) (	17,586 )(	32,594 )
			-		1,066,725		1,081,319
	Add:	Acquision at cost		83,088		39,790	
		Dividends re-invested		1,259		(4)	
		(Decrease)/Increase in cash deposits		1,647	(	862 )	
		Net (Losses)/Gains on Revaulation	(	220,262 )(	134,268 )	35,030	73,958
					932,457	=	1,155,277
	ANALY	SIS OF INVESTMENTS		Market	Cost	Market	Cost
				Value at	Analysis at	Value at	Analysis at
				31.03.20	31.03.20	31.03.19	31.03.19
				£	£	£	£
	Fixed a	nd Variable Interest Securities:					
	<b>UK Fixe</b>	ed Interest		69,080	101,597	163,323	162,676
	Overse	as Fixed Interest		33,353	29,837	÷	9
	UK Equ	ities		416,632	496,261	534,848	497,213
	Europe	an Equities		43,367	42,109	47,808	42,109
	Far Eas	t & Australian Equities		35,965	34,368	44,090	34,368
	Interna	tional Equities		145,511	157,342	181,496	169,178
	Emergi	ng Economies		22,540	28,272	29,555	28,272
	UK Proj	perty		75,737	81,380	79,719	81,380
	Alterna	tive Assets		78,092	76,359	63,905	63,663
	Funds o	on Deposit - unlisted	_	12,180	12,180	10,533	10,533
			_	932,457	1,059,705	1,155,277	1,089,392
	The inv	restments are held primarily for investment return.					
15	INVEST	MENTS IN SUBSIDIARY UNDERTAKINGS				2020	2019
						£	£
	COST						
		April 2019				5,601	5,601
	Additio					-	38 S <del>e</del> r
	Disposa	als			(	5,601)	-
	At 31st	March 2020					5,601

The Trust acquired all the shares in Robertsons (Lerwick) Limited, a dormant company, in March 2007 as a means of obtaining the rights to the Wreck of the Oceanic. This subsidiary was closed in February 2020 and as a result the investment has been fully disposed of.

The Trust purchased 1 share in its wholly-owned 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 operated a cafe/restaurant in the museum owned and run by the Trust. This ceased trading in 2019, as discussed in note 8, and as a result, the investment has been fully disposed of.

16	STOCK	2020	2019
		£	£
	Museum Shop Stock	57,358	61,266
	Heritage Publications Stock	29,050	42,880
	Sumburgh Head Shop Stock	17,955	23,912
		104,363	128,058
17	DEBTORS	2020	2019
		£	£
	Trade debtors	20.147	95 104
	VAT	39,247	85,104
		13,918	25,129
	Prepayments and accrued income	322,988	68,402
		376,153	178,635

## NOTES TO THE FINANCIAL STATEMENTS

# YEAR ENDED 31 MARCH 2020

18	CASH AT BANK AND IN HAND	2020 £	2019 £
	Charity bank accounts	2	71
	Euro Account - Follow the Vikings	1,010	109,952
	Cash in hand	650	1,522
		 1,662	111,545

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 in note 19.

## 19

			2020	2019
			£	£
			696,460	630,929
			114,235	201,745
(Lerwick) Ltd			111,233	5,335
me			367,943	229,253
			26,745	27,256
			32,722	31,059
18			1,010	109,952
21			275,269	11,278
				11,278
			1,514,384	1,246,807
closued under creditors falling due within	n one year are secured by t	he charity:		
			275,269	11,278
			696,460	630,929
			971,729	642,207
leferred income:	Opening Balance £	Deferred in Year £	Released in Year £	Closing Balance £
od income prepaid	30,512	26,143	( 30,512)	
Heritage income prepaid	2,370	1,730	2,370	26,143
Terrtage income prepaid	2,370		2,370	1,730
	10 200	5,000	10 200	5,000
			19,300	
	52,182	32,873	(52,182_)	32,873
se	d in circumstances where the charity			

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

	2020 £	2019 £
Loans 21	10,024	285,302
8	10,024	285,302
The following liabilities disclosed under creditors falling due after more than one year are secured by the charity:		
Loans	10,024	285,302
	10,024	285,302

#### NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2020

#### 21 LOANS

	2020 Due < One Year	2020 Due > One Year	2019 Due < One Year	2019 Due > One Year
Eshaness Lighthouse Mortgage	£ 2,000	£ 10,024	2,000	£ 12,033
Boat Shed Mortgage	273,269		9,278	273,269
	275,269	10,024	11,278	285,302

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

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

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

#### 22 OPERATING LEASES

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

	2020 £	2019 £
Operating lease payments	6,122	6,492
	6,122	6,492
Total future minimum lease payments under non-cancellable operating leases were as follows:		
Not later than 1 year Later than 1 year and not later than 5 years Later than 5 years	6,122 3,375	7,000 8,619
	9,497	15,619

## 23 PENSION: DEFINED BENEFIT SCHEME

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, Independent Qualified Actuaries.

The latest formal valuation of the Fund was at 31 March 2017 and this is updated on a triennial basis. A summary of the membership data used and the benefits valued at the latest formal valuation are set out in the formal valuation report. Hymans Robertson has reviewed the most recent full actuarial valuation at 31 March 2017 and has updated it on an annual basis as 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	31st March 2020 % per annum	31st March 2019 % per annum
Inflation/pension increase rate	1.9%	2.5%
Salary increases	2.4%	3.1%
Discount rate	2.3%	2.4%
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.

31st March 2019

# SHETLAND AMENITY TRUST

# NOTES TO THE FINANCIAL STATEMENTS

# YEAR ENDED 31 MARCH 2020

31st March 2020

# 23 PENSION: DEFINED BENEFIT SCHEME (Continued)

Mortality assumptions

		% per annum		% per annum
Longevity at age 65 for current pensioners		2000-1000-000-000-00		
Men		21.4		22.1
Women		23.2		24.0
Longevity at age 65 for future pensioners				
Men Women		22.7		23.9
women		25.0		26.1
Assets (Employer Share)	31st N	larch 2020	31st	March 2019
		Fair value of the		Fair value of the
		total plan assets		total plan assets
	Percentage	£ 000	Percentage	£ 000
Equities	78%	8,251	79%	8,941
Bonds	8%	846	8%	905
Property	12%	1,269	12%	1,358
Cash	2%	212	1%	114
	100%	10,578	100%	11,318
Net Pension Liability as at		24		
Net Pension Liability as at		31st March 2020 £000		31st March 2019 £000
Fair value of Employer Assets		10,578		11,318
Present value of funded liabilities		(13,861		()
Net (under)/overfunding in funded plans		( 3,283		( 4,134 )
Present value of unfunded liabilities		2		181
Unrecognised past service cost				
ALCOHOL TO A TOP A TOP A				av 00.0000 va
Net (liability)/asset		()		()
Amount in the balance sheet				
Liabilities		( 3,283 )		( 4,134 )
Assets				3-3
Net Pension (liability)/asset		( 3,283 )		( 4,134 )
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		3,203		4,134
Amounts recognised in the SOFA				
Amounts recognised in the 30rA		31st March 2020 £000		31st March 2019 £000
Current service cost		( 617)		( 522 )
Past service cost	25.	( 017)		522 ]
Net interest cost		( 103)		( 84)
Plan introductions, changes, curtailments and settlements		237		229
Remeasurements:				
Changes in demographic assumptions		540		720
Changes in financial assumptions		1,816		( 1,331 )
Other experience		76		,551 /
Return on assets excluding amounts included in net interest		()		559
		851		( 1,149 )
				1,149

#### NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2020

#### 23 PENSION: DEFINED BENEFIT SCHEME (Continued)

Actual return on plan assets Return on assets excluding amounts included in net interest Interest income on plan assets included in net interest	31st March 2020 £000 ( 1,098 ) 273	31st March 2019 £000 559 282
Return on plan assets	825	841
Reconciliation of defined benefit obligation		
	31st March 2020 £000	31st March 2019 £000
Opening defined benefit obligation	15,452	13,406
Current service cost Interest cost Contributions by members Actuarial losses/(gains) Changes in demographic assumptions Other experience Benefits paid  Closing defined benefit obligation  Reconciliation of fair value of employer assets	617 376 86 ( 1,816 ) 540 76 ( 238 ) 13,861	522 366 82 1,331 - (
Opening fair value of employer assets	11,318	10,421
Interest income Contributions by members Contributions by the employer Return on assets excluding amounts included in net interest Benefits paid	273 86 237 1,098)	282 82 229 559 (
Closing fair value of employer assets	10,578	11,318

The Shetland Amenity Trust estimates that employer's contributions for the year to 31 March 2021 will be approximately £238,000.

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

## 24 CONTINGENT LIABILITY

The impact of the recent McCloud/Sargeant judgement in relation to Defined Benefit Pension Schemes at Government level has to be considered by local authorities and Local Government Pension Scheme ('LGPS') funds. The Government Actuary's Department has prepared a report, dated 10 June 2019, which demonstrates two scenarios whereby estimated costs are sensitive to the assumed rates of increases of the final salary and CPI. Scenario one has been calculated at CPI + 1.5% and Scenario two, CPI + 0%. This could impact the scheme liabilities and service costs in future years. At present, this is contingent on potential future litigation and there is currently insufficient information with which to quantify the impact of these decisions.

## 25 RELATED PARTY TRANSACTIONS

Shetland Amenity Trust own 100% of the share capital of Hay's Dock Café Restaurant Ltd. Services were provided to the Trust to the gross value of £nil (2019: £677). At the year end, amounts of £nil were owed the subsidiary (2019: £nil). The Trust also paid for goods and services on behalf of the company, to the gross value of £nil (2019: £1,648). At the year end, amounts of £nil were owed from the subsidiary (2019: £1,161) and this was included within trade debtors.

During the prior year, an inter-company balance between the parties was forgiven in total to an amount of £132,752. See further information in note 8 to the accounts.

As at the year end, the charity was in the process of winding up the subsidiary company.

Total costs to the Trust of £20,184 and £31,466 were incurred in the year relating to the respective employment of Mr H Robertson and Mrs A Robertson. Mr and Mrs Robertson are the son and daughter in law of Mr F Robertson, a trustee of the charity.

#### NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 MARCH 2020

26	FINANCIAL INSTRUMENTS	2020	2019
	The carrying amount for each category of financial instrument, measured at amortised cost, is as follows:	£	£
	Financial Liabilities		
	Loans payable falling due within 1 year	275,269	11,278
	Loans payable falling due between 2 - 5 years	10,024	281,269
	Loans payable falling due after 5 years		4,033
		285,293	296,580

The loan financing is in the form of two secured loans with a fixed interest rate (being 2% and 4% per annum over the Bank's base rate) and are due to finish in July 2025 and March 2021. The total interest paid during the year was £11,767 (2019: £11,071).

#### 27 SUMMARY STATEMENT OF FUNDS

Restricted Funds		General Fund £	F	Revaluation Reserve £	Shetland Wildlife Fund £	Grant Aid Fund £	Permanent Grant Fund £	Total £
At 1st April 2019		71,660	(	2,154,623 )	3,953	133,802	14,861,733	12,916,525
Income		2,318,402		1.00	-	51,529	3,300	2,373,231
Expenditure	(	2,293,065 )		w	- (	10,250 )	- (	2,303,315 )
Actuarial gain/(loss)		-		•				
Transfer of funds between funds	(_	14,016	)			21,159	372,284)(	365,141 )
At 31st March 2020		82,981	(_	2,154,623 )	3,953	196,240	14,492,749	12,621,300

The general restricted fund represents funding received for specific projects run by the trust which fall within its charitable objectives. Included within this balance are the following projects: Donated painting; Interpretation; Halligarth; OSB: A Walk Through the Iron Age; Archaeology, Geoparks, Peatlands and Woodlands Projects; Gordon Fraser Charitable Trust; Sea Changers; Shetland Knitted Lace; Year of Young People; Bressay Carbon Sequestration; Drifting Apart; Nottingham Lace; Holbein loan; Perry Grayson Exhibition; and The Lens Programme.

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. A transfer is made from this fund to show the amortisation of such funding over the expected useful lifetimes of the capital assets to which the specific grants relate. This transfer is made to unrestricted reserves to coincide with the recognition of the depreciation of assets.

Endowment Fund		2020		2019	
		£	£	£	£
Grants received to 31.03.19			800,000		800,000
Net recognised gains/(losses) on investments brought forward		355,277		313,913	
Realised (losses) on investments during year	(	53,817)		6,334	
Unrealised gains/(losses) on revaluation of investments at year end	(	169,003)		35,030	
		-	132,457	17	355,277
		_	932,457		1,155,277

# NOTES TO THE FINANCIAL STATEMENTS

# YEAR ENDED 31 MARCH 2020

# 27 SUMMARY STATEMENT OF FUNDS (continued)

**Unrestricted Funds** 

		General Fund £	Capital on Formation £	Pension Fund £	Total £
At 1st April 2019	(	1,441,976 )	1	( 4,134,000 )(	5,575,975 )
Income		1,339,420			1,339,420
Expenditure	(	1,638,545 )		- (	1,638,545 )
Actuarial gain/(loss)		107.1	7 (6)	851,000	851,000
Transfer of funds between funds	-	365,141			365,141
At 31st March 2020	(_	1,375,960	1	(3,283,000_)(	4,658,959 )

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

- £372,284 transferred from the Permanent Grant Fund to reflect the amortisation of capital funds as noted above; and
- £10,250 transferred from Restricted Funds to reflect Grant Aid awarded for the Charity's own capital expenditure, including the repayment of loans.
- £17,393 transferred to General Restricted Funds to reflect overspends on different restricted projects, met by unrestricted charity reserves.

# 28 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricte Funds £	d Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Fixed Assets	( 64,458	3) 12,352,029	-	12,287,571
Investments		±1 2	932,457	932,457
Current Assets	( 6,27	2) 488,450	-	482,178
Current Liabilities	( 1,295,20	5)( 219,179)	- (	1,514,384 )
Defined Benefit Pension Scheme Liability	(3,293,024	4)	i_	3,293,024 )
	(4,658,959	12,621,300	932,457	8,894,798
	Unrestricte Funds	d Restricted Funds	Endowment Funds	Total Funds 2019
	£	£	£	£
Fixed Assets	( 138,193	3) 12,721,013	-	12,582,820
Investments	5,60	1 -	1,155,277	1,160,878
Current Assets	81,476	336,762		418,238
Current Liabilities	( 1,105,55	7)( 141,250)	- (	1,246,807)
Long Term Liabilities	(4,419,302	2)		4,419,302 )
	(5,575,97	12,916,525	1,155,277	8,495,827

# NOTES TO THE FINANCIAL STATEMENTS

# YEAR ENDED 31 MARCH 2020

29	NOTES TO STATEMENT OF CASHFLOWS			
			2020	2019
{a}	Reconciliation of net income/(expenditure) to net cash flow from operating activities		£	£
	Net (expenditure) for the reporting period			
	(as per the statement of financial activities)	(	452,029 )(	488,582 )
	Adjustments for:			
	Depreciation		300,749	331,172
	Gain on sale of fixed assets		- (	4,045 )
	Losses on investments		210,926	52,616
	Dividends and interest from investments	(	51,587 )(	52,170 )
	Interest paid		11,767	21,426
	Decrease/(Increase) in stock		23,695 (	11,215 )
	(Increase)/Decrease in debtors	(	197,518)	218,595
	(Decrease) in creditors	ſ	61,945 )(	457,153 )
	Net cash provided by/(used in) operating activites	(_	215,942 )(	494,588 )
{b}	Analysis of cash and cash equivalents		2020	2019
			£	£
	Cash in hand	200	1,662	111,545
	Overdraft facility repayable on demand	(	696,460 )(	630,929 )
	Cash fund held in investment portfolio	-	12,180	10,533
		(_	682,618 )(	508,851 )

Included within the cash in hand balance is an amount of £1,010 (2019: £109,952) 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.

# (c) Analysis of Changes in Net Debt

	As at 01.0	4.19	Cash Flows	As at 31.03.20
Cash and Cash Equivalents				
Cash in hand	111,	545	( 109,883 )	1,662
Overdraft facility repayable on demand	( 630,	929)	( 65,531)(	696,460 )
Cash fund held in investment portfolio	10,	533	1,647	12,180
Borrowings				
Debt due within one year	( 11,	278)	( 263,991)(	275,269 )
Debt due after more than one year	(285,	302 )	275,278 (	10,024 )
Total	(805,	431)	(162,480_)(	967,911 )