

Charity Registration No. SC017286 (Scotland)

Company Registration No. SC165677 (Scotland)

**VOLUNTARY ACTION SHETLAND
A COMPANY LIMITED BY GUARANTEE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**

VOLUNTARY ACTION SHETLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	A Duncan M Flaws (Vice Chair) S Laidlaw O MacLeod (Finance Director) M Stewart L Tulloch B Wilcock
Secretary and Executive Officer	Mrs L Tulloch
Charity number (Scotland)	SC017286
Company number	SC165677
Registered office	Market House 14 Market Street Lerwick Shetland ZE1 0JP
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor 2 Semple Street Edinburgh EH3 8BL
Bankers	Bank of Scotland 117 Commercial Street Lerwick ZE1 0DL

VOLUNTARY ACTION SHETLAND

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

This year has been very busy, with Voluntary Action Shetland (VAS) staff getting back to doing what they do best, helping others, especially after the covid restrictions. This report shows that VAS and the direct delivery projects that they support, are once more open for business.

The Saltire Awards Scheme took place in June last year and it was a huge success, with 67 young people receiving their Saltire Awards.

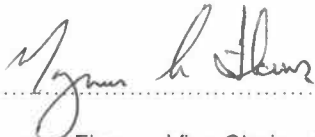
Throughout the year we have been reading in the local press about young people with nothing to do and nowhere to go. Volunteering is something that VAS staff have been promoting within schools over the last 12 months to support young people to get involved in local groups, and it's wonderful to see that these Saltire award recipients have been able to volunteer and make a difference in our community.

Over the year the various areas of VAS have been presenting to the Board what their duties involve. The presentation that stuck out in my mind was from the staff of the Shetland Befriending Scheme. I was impressed with how the volunteers visited, supported in activities and helped people who were in need of some companionship, going out of their way to help however they could.

Unfortunately three Directors have stood down this year and I would like to record the sterling work Mr W Henderson BEM, Mr A Miller and Mr W Shannon have contributed to the Board of Directors over many years. We have been fortunate to have been able to appoint two new Directors, Mrs B Wilcock and Mr L Tulloch to the Board.

We are still looking for new Directors to join the Board and I would hope that by reading this report and seeing the benefits to the community that VAS makes, you may volunteer to join us.

I would like to thank the Board of Directors, staff, volunteers and funders for their work over the past year in making VAS the successful organisation that it is.



Magnus Flaws – Vice Chairperson

31 May 2023

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, referred to as 'directors', are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

The company's objects and principal activities are:

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

Voluntary Action Shetland Mission Statement

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

Voluntary Action Shetland's Vision

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

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

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

- To be a Central Source of Knowledge about the Third Sector Locally
- To be the Voice
- To Connect
- To Build Capacity

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Volunteers

During the year the charity was dependent on volunteers for the continued provision of a number of their direct delivery projects:- The Shetland Befriending Scheme, the OPEN Project and Shetland Carers. The volunteer roles ranged from providing distance support over the phone or through virtual platforms to volunteers and service users meeting again in a face-to-face capacity when they were able to. Volunteers also supported a number of group activities when people were able to meet together in groups once more. A total of 64 volunteers contributed towards the total volunteer hours for the year of 2,618. The estimated monetary value of this is £26,180.

Last year VAS Volunteering had 794 enquires about volunteering, placed 19 individuals in volunteering opportunities and presently has 77 volunteering opportunities registered with them.

The latest statistics from the Scottish Household Survey (SHS) 2018 states 52% of adults in Shetland, an estimated 9,792 people, volunteer formally through an organisation or group. This is above the national average in 2018 of 26%. This equates to 1.1 MILLION HOURS of help providing £16.8 MILLION to the local economy.

<https://www.volunteerscotland.net/for-organisations/research-and-evaluation/data-and-graphs/local-area-profiles/shetland/>

The Scottish Household Survey results for 2021 were published Tuesday 25 April 2023. Unfortunately, there is no breakdown of local authority area in the data. The statistics are Scotland wide data. The SHS Team has cautioned against comparing their 2021 data with previous years due to changes in the research method, and representativeness of the sample. Key findings:

- The formal volunteering participation rate is 27%, which is not statistically different compared to the flatline rate of 26% during the previous three years: 2018 – 2020
- Local community/neighbourhood volunteering continues its upward trend from 22% of volunteers in 2019, to 25% in 2020 and now 30% in 2021. This is likely to reflect the importance of community support during the height of COVID-19.

<https://www.volunteerscotland.net/news/research-evaluation-blog/scottish-household-survey-2021-results>

Achievements and performance

1. To be a Central Source of Knowledge about the Third Sector Locally

Voluntary Action Shetland (VAS) is Shetland's Third Sector Interface. VAS provides a single point of access for support and advice for the Third Sector within Shetland. There are 32 Third Sector Interfaces (TSI's) in Scotland with one situated in each local authority area in Scotland.

TSI's play an important role in the Third Sector landscape. They are a key point of intelligence about local third sector organisations and volunteering. They understand the local landscape and how it effects the third sector's ability to contribute to local outcomes and national strategies (such as health and social care, community empowerment). TSI's are well positioned to identify support needs for local community groups, voluntary organisations, social enterprises and around volunteering. TSI's can identify third sector issues and perspectives that can feed into both local and national policy.

VAS is constantly working to keep the voluntary and third sector up to date with news and developments; key topics this past year have continued to be COVID-19 recovery related items including funding, support to reopen safely, risk assessment, together with vital charity law and governance updates. VAS achieves this by the one to one work they do, co-ordinating the Third Sector Forum and networks, and by sending out regular VISP General newsletters and Funding newsletters. Last year 101 organisations received direct support from VAS staff on a range of topics and 35 general newsletters, 35 funding newsletters and 70 Information e-bulletins were sent out. 231 people representing 197 organisations/groups received the newsletters.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2. To be the Voice

VAS engages in a number of National and Local Strategic Partnerships, forums and working groups to enable voluntary groups and organisations to have a voice and the opportunity to contribute. Last year 141 Meetings were attended at 37 Multi Agency Groups.

VAS continues to represent the Third Sector on various strategic groups and forums the list of representations can be found on the VAS website:

<https://www.voluntaryactionshetland.com/what/organisations/representation>

This allows the Third Sector contribution to the Shetland Partnership Plan 2018-2028 and the delivery of the indicators around Participation, Place, People and Money to be recognised.

Many of the Third Sector organisations alongside Voluntary Action Shetland contribute to a vast range of strategies and work plans including the Community Learning and Development Plan 21-24, the Health and Social Care Strategic Commissioning Plan 22-25, the Shetland Children's Plan 21-24 and various projects including the Anchor/Early Action Project and Developing the Young Workforce.

The vital services of the third and voluntary sector continues to support the people and communities of Shetland to feel included, empowered, resilient and safe. VAS provides support to the sector to enable the organisations to deliver their objectives confidently throughout COVID-19 recovery and are better able to contribute to a strong and inclusive local social economy.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3. To Connect

VAS continues to connect through various forums and networks.

Third Sector Forum: This forum is an independent network of Third Sector Organisations within Shetland. The forum meets monthly and is facilitated by VAS. The forum is currently made up of 33 members and provides a space to share information and good practice, identify needs and learn from one another. The network also provides an opportunity for statutory partners and key influencers to attend to share information and connect with Third Sector Organisations to support them to contribute to local policy and outcomes and to work together to support arising local needs. 7 Third Sector Meetings occurred with 6 Statutory Partners engaging with the Forum.

Shetland Community Facilities Network: This network was launched in March 2022, replacing the Shetland Halls Association. It is open to a much broader membership including heritage groups, museums, sports clubs etc. The Network aims to provide a regular platform for voluntary groups and organisations who manage a community facility to network, learn, collaborate and share information to improve the management of the facilities for the community. A meeting was held in September 2022 and the next meeting was scheduled for April 2023. A total of 76 organisations are currently supported through the network.

Shetland Community Climate Action Network: VAS is working in partnership with the Shetland Islands Council (SIC) and the Highlands and Islands Climate Hub to launch a new Climate Action Network for Community Groups in Shetland. Meetings have progressed throughout the year and a Facebook page with resources is being developed by the SIC.

Climate Change Community Champions: VAS was successful in securing funding from the Shetland Community Led Local Development Fund to train 30 Third Sector representatives from across Shetland in climate change solutions. The course delivered by the Scottish Royal Geographical Society plays a key role in supporting the Third Sector in Shetland to undertake climate change activities to address both adaptation and mitigation.

Shetland Trustee Network: An initial meeting took place in November 2022 during Trustees Week, with 12 attendees representing 6 organisations. The second meeting was scheduled for April 2023.

Market House: VAS owns and manages Market House, Shetland's Third Sector Hub. It has been the office base for 12 Independent Charities not including VAS and their three direct delivery projects. In addition to this, Market House have several rooms available for hire. Last year Market House had 2,673 visitors and 2,609 room bookings (534 external & 2,075 resident)

Community Engagement at the Country shows - Last year VAS staff attended all five local country shows. This gave staff the opportunity to engage with the community about their local needs and to increase staff knowledge of the community awareness of VAS and their available services.

This year VAS continued to increase their social media presence with the Voluntary Action Shetland Facebook page alongside the Voluntary Action Volunteering Facebook page. VAS are also on Twitter and Instagram – the numbers reacting and sharing the information continues to grow and VAS have also used social media to promote their work, celebrate achievements, promote volunteering and provide information on a range of topics including funding and training.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4. Build Capacity

Association of Charities Independent Examiners - All Third Sector groups need to have their accounts checked to make sure their finances are managed properly and running smoothly and all registered charities are required to file accounts and returns with OSCR. VAS has three members of staff who can independently examine accounts for voluntary organisations and charities with an income less than £100,000 and help them meet their legal requirements. VAS undertook 58 independent examinations last year.

Communities Mental Health and Wellbeing Funding – Along with the other 31 TSI's throughout Scotland, VAS distributed a second year of the Scottish Government Community Mental Health and Wellbeing Funding to support community activity until March 2024. Shetland's allocation totalled £71,420. The intended outcome of the Fund is to develop a culture of Mental Wellbeing and Prevention within local communities and across Scotland with improved awareness of how we can all stay well and help ourselves and others. 18 Community Groups/Organisations Received Funding to Support Initiatives.

STV Childrens Appeal Funding – VAS received funding from STV Childrens Appeal to support families in need. The funding has enabled VAS to provide 60 vouchers totalling £1,800 for clothing and footwear for children to families affected by the cost of living crisis.

Vaila Fund – The Vaila fund was established in 2009 and is managed by VAS. The fund financially assists disadvantaged young people in Shetland to experience the joy of travel – young people visit exciting new places, and delight in learning about new cultures, history, food, traditions, and activities. The trips increase the confidence and independence of the young people as well as strengthening existing friendships and establishing new ones. Three Awards granted totalling £1,928 enabled local young people to travel to the mainland.

Support - VAS's aim is to provide flexible and tailored support to third sector organisations and community groups to build the capacity of as many voluntary organisations in Shetland as possible by responding to queries and needs as they arise, and through targeted support and training. Providing the support enables local organisations to run well which supports them to respond and meet local needs/demands.

This year VAS staff assisted 101 organisations with one to one advice on a range of topics. Some of the key issues staff supported groups on were:

- Identifying appropriate legal structures for third sector organisations and helping groups through the SCIO process and charity registration for both new and existing organisations; Dissolving organisations; Liaising with the charity regulator OSCR.
- Governance – Modernising constitutions and supporting charitable companies to change their Memorandum and Articles of Associations; Helping groups understand the roles and responsibilities of trustees/directors and recruiting committee members; Advice on establishing policies and procedures (including Equality & Diversity, Data Protection (GDPR), Volunteer Induction etc.); Supporting charities to comply with OSCR regulations (Meeting deadlines for Trustee Annual Reports and Annual Accounts)
- Queries around electricity costs and suppliers, funding, insurance, bank accounts, financial record keeping, fundraising, health & safety (fire alarms and risk assessment), licensing laws, gambling licenses, trading and VAT.
- 75 PVG's Processed for Community Groups/Charities and 63 PVG's were processed to support Local Authority Homes for the Ukraine Scheme
- 7 Charities Provided with Monthly Payroll Administrative Support

Training - VAS staff delivered training to groups and organisations last year including:

- Cyber Resilience Training Workshop
- Roles and Responsibilities of Trustees Training
- Roles and Responsibilities Training for Youth Committees
- Risk Assessment Training
- Financial Management Training

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Volunteers Week 2022 - Volunteers' Week is a UK wide campaign that takes place every year in June. It's a time when volunteering involving organisations are encouraged to thank and celebrate their volunteers, past and present. The Volunteers' Week campaign started in 1984, which means this year marks the 38th year of formally saying 'Thank You' to volunteers. The week is also about raising awareness of the benefits of becoming a volunteer and the diverse volunteering roles that are available. As well as helping others, volunteering has been shown to have a positive impact on the lives of those who do volunteer in gaining new skills and boosting self-esteem.

VAS Volunteering staff celebrated Volunteers' Week this year by going out and about throughout Shetland to visit volunteer involving organisations. This year's Volunteers' Week coincided with Queen's Platinum Jubilee celebrations (which includes The Queen's Green Canopy (QGC) - a tree planting initiative created to mark Her Majesty's Platinum Jubilee in 2022), and also the Month of Community. They brought along a tree supplied by COPE's Shetland Garden Co to each of the organisations they visited and a plaque to commemorate the tree planting which thanked all of their volunteers.

Trustees' Week 2022 - Trustees' Week occurred from 7th to 11th November 2022. It was a time for communities to come together to celebrate the achievements of nearly 1 million trustees across the UK. The theme for 2022 was making a difference in changing times. As the external environment continues to change, charities face new challenges. The positive impact people make, as a trustee is invaluable to a sector that is now as important as ever to benefit society. Trustees' Week offered the opportunity to say; "Thank you for the time, commitment and effort volunteer trustees bring to your charities to help them thrive". VAS hosted a trustee session in November to offer the opportunity for local trustees to come together, discuss common issues and consider the development of a local trustee network.

Promoting Volunteering - The VAS Volunteering team have been busy actively engaging in the community, attending events and promoting volunteering opportunities. There are currently 77 registered active volunteering opportunities with 19 volunteers having been placed in the last 12 months. With more back to normal working patterns post covid-19, there has also been increased engagement within schools and linking in with partners to support individuals to volunteer in their own local communities. Last year there was the following:

- 794 Enquiries from Volunteers
- 413 Enquiries from Volunteer Involving Organisations
- 122 Organisations received Support on Recruitment of Volunteers/Policy Development
- 655 Voluntary Organisations Registered
- 1047 Active Volunteers Registered – 859 Youth Volunteers U25 / 188 Adult Volunteers

Saltire Awards - On Monday, 6th June 2022, VAS were delighted to be able to present 67 young people with their Saltire Awards once more, in person at their annual Saltire Awards Ceremony. The 2020 event had to be cancelled last minute, the 2021 event was held online and the 2022 had to be postponed from March to June due to uncertainties around the Omicron Covid variant. Needless to say the excitement of being back at Mareel in June was huge. The event – while on a much smaller scale than pre-2020 due to less volunteering activity during the pandemic – was well received, with many saying they loved the atmosphere of finally being together in a room again. Despite the difficult circumstances of the past two years, these 67 young people received a total of 125 certificates between them recognising over 10,500 hours of volunteering they had collectively taken part in throughout the year with 25 different local groups, schools and organisations.

VAS Volunteering Awards – VAS are delighted to announce that in the past year they have developed a new awards scheme called the VAS Volunteering Awards. The nomination-based awards aim to cover the age range of volunteers which are not eligible for a Saltire Award (which can only be awarded to young people between 12 and 25yrs) to recognise all of the fantastic volunteering that goes on in Shetland. There will be a category for children 11yrs and under and a category for adults 26yrs and over. To raise awareness of the award, they held a competition to name each of these two categories. Individuals, community groups and primary schools all over Shetland were encouraged to contribute ideas for names. The winning names will be revealed in Volunteers' Week 2023 with a launch of the awards scheme to occur later in the year.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

Voluntary Action Shetland has confirmed funding from the Scottish Government for the next year until 31st March 2024 and for the next 2 years from Shetland Charitable Trust until 31st March 2025.

In the year to 31 March 2023 the charity has added £38,355 to unrestricted reserves giving £148,874 to carry forward in unrestricted reserves.

Voluntary Action Shetland has been successful in attracting funds for the organisation and during the financial year to 31 March 2023 received restricted income funds of £1,102,587 and capital restricted funds of £192,140 for specific projects. In the year £1,026,328 was spent in delivering services for those projects, with some of the funding having been received in previous years; therefore the balance of restricted income and capital restricted funds to take forward into 2024 are £486,330 and £833,237 respectively to support ongoing valuable work for the community and the third sector.

Principal Funding Sources

Revenue Funding is received from Scottish Government, Shetland Charitable Trust and Shetland Islands Council. External funding for projects includes, The Robertson Trust, The National Lottery Community Fund, Children In Need, Awards for All (National Lottery), Shared Care Scotland - Short Breaks, Better Breaks, Carers Trust, Life Changes Trust, Cash back for Communities - Youthlink Scotland, CO-OP, The Ideas Fund, The Rank Foundation, Tesco's Bags of Help and STV Childrens Appeal.

Reserves and going concern policy

The directors have examined the charity's requirements for reserves in light of the main risks to the organisation. They have established a policy where the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 3 months of expenditure.

Relevant expenditure (excluding depreciation) for 2023 was £1,078,773 and therefore the target is £269,693 in unrestricted funds. The reserves are needed to meet the working capital requirements of the charity and the directors are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

The present level of unrestricted reserves available to the charity of £148,874 have been fully designated and the charity therefore falls short of this target level although the strategy is to continue to build reserves through self-generated charitable activities.

The total funds at the year end were £1,468,441. Of this £644,647 represents the cost of property with a further £188,590 for future capital and maintenance costs. This then leaves £635,204 in working capital of which £486,330 is included in restricted income funds and can only be used in accordance with specific conditions on each fund. The remaining designated funds of £148,874 were held at the year end for the purposes described in the notes to the financial statements.

The pension deficit has been shown separately to allow the remaining carry forward balance to be shown. The deficit is to be paid over the next three years and as such will be met through future funding and any necessary cost savings. The remaining carry forwards show that there are sufficient resources for the day-to-day requirements of the charity for the foreseeable future.

The Directors are well aware of the shortfall in reserves, but in the current financial climate it is becoming increasingly difficult to build reserves, the Directors continue to be committed to build reserves required realising that this may take longer than anticipated and not having the stated amount of reserve is an identified risk. The Director's continue to monitor level of reserve and utilise the income effectively to assist in the building the expected reserve amount.

Capitalisation Policy

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

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Covid-19

Voluntary Action Shetland has supported charities and community groups to return to normal or helped develop new delivery models post covid-19. The team are back to normal working patterns and engaging in face-to-face activity as much as possible. Hybrid working occurs were required and online meetings continue to be a key part of engaging with partners and providing support.

Plans for the Future

The Executive Officer of Volunteering has been asked to continue to deliver activities, indicators and outcomes on the following: "To be a central source of knowledge on the sector", "To be the Voice", "To Build Capacity" and "Connect".

Voluntary Action Shetland will continue to support the Third Sector in recovering from the pandemic, supporting activity to help with the Cost of Living Crisis and responding to local priorities and needs.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management Governing Document

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

The directors who served during the year were:

A Duncan	
M Flaws (Vice Chair)	
W Henderson	(Resigned 30 June 2022)
S Laidlaw	
O MacLeod (Finance Director)	
A Miller	(Resigned 30 June 2022)
W Shannon	(Resigned 13 February 2023)
M Stewart	
L Tulloch	(Appointed 4 October 2022)
B Wilcock	(Appointed 17 November 2022)

Recruitment and Appointment of Directors

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

VAS members, either individuals or individuals nominated via organisations, who wishes to be considered for appointment as a director at an annual general meeting, must lodge with the secretary a written notice of his or her willingness to be appointed (in such form as board might require), signed by them, 28 days prior to the date of the Annual General Meeting.

The Board may at any time appoint (following the recruitment process) any member to be a director either to fill a vacancy or as an additional director.

Indemnity Insurance

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

Director Induction and Training

New directors to the board are issued with an induction and procedures manual containing relevant information on the Charity, including the Memorandum of Articles of Association, staff information, policy documents and the Annual Report. Induction meetings occur between the board member and Executive Officer to ensure there is a suitable sharing of information about the charity. A meeting of all directors occurs as soon as possible after the Annual General Meeting to introduce any new directors to other board directors and staff.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Organisational Structure

Voluntary Action Shetland has a Management Board of up to 11 directors who meet 6 times per year. Currently there are 7 directors from a variety of professional backgrounds, the Executive Officer also attends board meetings but has no voting rights. The Executive Officer is the Company Secretary.

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

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

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

Pay policy for senior staff

The directors together with the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give their time freely and no director received remuneration or expenses in the year.

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

Risk management

The directors confirm that the major risk to which the charity is exposed to have been considered and reviewed. The main risk is financial sustainability. The board monitor cash and reserves regularly. If income is reduced to an unsustainable level then services would be reduced unless there are sufficient reserves available to bridge any funding gap. Should this issue arise there is the reserves fund which could be utilised however it is more likely that services would be reduced.

Auditor

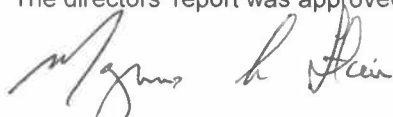
RSM UK Audit LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) and in accordance with the small companies regime.

Disclosure of information to auditor

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

The directors' report was approved by the Board of Directors.



Mr M Flaws (Vice-Chairperson)

Director

Dated: 31 May 2023

VOLUNTARY ACTION SHETLAND

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The directors, who also act as trustees, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping adequate 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 Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF VOLUNTARY ACTION SHETLAND

Opinion on financial statements

We have audited the financial statements of Voluntary Action Shetland (the 'charitable company') for the year ended 31 March 2023 which comprises the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF VOLUNTARY ACTION SHETLAND (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the purposes of company law and included within the annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report, included within the annual report, and from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF VOLUNTARY ACTION SHETLAND (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to new or unusual transactions which may not be in accordance with charity law, inspecting board minutes and confirming there had been no correspondence with OSCR or external legal advisers in the period.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Data Protection Act 1998 and Protection of Vulnerable Groups (Scotland) Act 2007. We performed audit procedures to inquire of management whether the charitable company is in compliance with these laws and regulations, inspected board minutes and the risk register for controls in place. Furthermore we inspected correspondence with regulatory authorities and reviewed register on Information Commissioner's Office website.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF VOLUNTARY ACTION SHETLAND (CONTINUED)

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body, and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Adams

Kelly Adams MA(Hons) CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL
02/06/23.....

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

VOLUNTARY ACTION SHETLAND

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted income funds £	Restricted income funds £	Restricted capital funds £	Total 2023 £	Total 2022 £
<u>Income and endowments from:</u>						
Donations and legacies	2	-	2,351	-	2,351	57
Charitable activities	3	93,905	1,099,791	192,140	1,385,836	1,001,824
Investments	4	-	445	-	445	531
Other income	5	-	-	-	-	446
Total income and endowments		93,905	1,102,587	192,140	1,388,632	1,002,858
<u>Expenditure on:</u>						
Charitable activities	6	145,188	1,026,328	-	1,171,516	1,083,488
Net incoming/(outgoing) resources before transfers		(51,283)	76,259	192,140	217,116	(80,630)
Gross transfers between funds		89,638	5,523	(95,161)	-	-
Net movement in funds		38,355	81,782	96,979	217,116	(80,630)
Total funds brought forward		110,519	404,548	736,258	1,251,325	1,331,955
Total funds carried forward		148,874	486,330	833,237	1,468,441	1,251,325

The statement of financial activities includes all gains and losses recognised in the year. Income is recognised in line with charity accounting requirements and may cover more than one financial year.

All income and expenditure derive from continuing activities.

VOLUNTARY ACTION SHETLAND

BALANCE SHEET

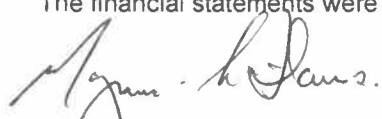
AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		650,983		736,258
Current assets					
Debtors	13	200,510		6,684	
Investments: fixed term deposits		185,761		185,316	
Cash at bank and in hand		493,723		447,908	
			879,994		639,908
Creditors: amounts falling due within one year	14		(59,405)		(119,930)
Net current assets			820,589		519,978
Total assets less current liabilities			1,471,572		1,256,236
Provisions for liabilities	16		(3,131)		(4,911)
Net assets			1,468,441		1,251,325
Capital funds					
Restricted capital funds	17		833,237		736,258
Income funds					
Restricted income funds	18		486,330		404,548
Unrestricted income funds	19		148,874		110,519
			1,468,441		1,251,325

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

See note 12 for further details on the assets and related burden on titles information.

The financial statements were approved by the Directors on 31 May 2023



M Flaws (Vice Chair)
Director



O MacLeod (Finance Director)
Director

VOLUNTARY ACTION SHETLAND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	21		53,283		50,221
Investing activities					
Purchase of tangible fixed assets		(7,468)		-	
Interest received		445		1,372	
Net cash (used in)/generated from investing activities					
			(7,023)		1,372
Net cash used in financing activities					
			-		-
Net increase in cash and fixed term deposits					
			46,260		51,593
Cash and fixed term deposits at beginning of year					
			633,224		581,631
Cash and fixed term deposits at end of year					
			679,484		633,224
Relating to:					
Bank balances			493,723		447,908
Fixed term deposits			185,761		185,316

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Voluntary Action Shetland is a private company limited by guarantee incorporated in Scotland. The registered office is Market House, 14 Market Street, Lerwick, Shetland, ZE1 0JP. It is also a charity registered with Office of Scottish Charity Regulator (OSCR).

Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The charitable company is dependent on the continued support of various funding agencies to fund its future activities. The charity has received funds in advance of continuing activities. The board have reviewed budgets for the foreseeable future and with the funds already available for activities together with the income receivable in 2023 and into the medium term, they are satisfied there are sufficient resources to see the charity through for at least 12 months from the date of signing the accounts.

The charity is fortunate that its funders continue to support the organisation. Successful applications have been made to Shetland Charitable Trust which has committed to fund VAS for another 2 years until March 2025 and the Scottish Government has committed to fund another year until March 2024.

Any shortfall in funding can be met from current reserves in the short to medium term. As such, no material uncertainties that may cast significant doubt about the ability of the charitable company to continue as a going concern have been identified by the directors. As a result they have adopted the going concern basis of accounting.

Charitable funds

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

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

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

The restricted capital fund relates to the building at Market House. The balance is being reduced as the assets depreciate by transferring an equivalent amount between capital funds and the unrestricted funds.

An additional £192,140 was granted from Shetland Charitable Trust, this is held in a separate restricted capital fund.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

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

Other income arising from services provided to the voluntary sector in Shetland is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the charity's activities.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT. Expenditure is classified under the following activity heading:

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

Support Costs

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

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis eg estimated usage or staff time as set out in Note 6.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. No single equipment purchase with a cost of below £500 is to be capitalised.

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

Land and buildings	25 years
Office equipment	3 - 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks with original maturities of three months or less.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances and funds invested in fixed term deposit accounts, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

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

Multi-employer plans:

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

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Donations and legacies

	2023 £	2022 £
Donations and gifts - Restricted	2,351	57

In line with the Charities SORP (FRS102) restricted grants of a general nature which are not conditional on delivering certain levels or volumes of a service are included under donations.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Charitable activities

	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total 2023	Total 2022
	£	£	£	£	£	£	£	£
Capital grants	-	-	192,140	-	-	-	192,140	-
Performance related grants	182,080	133,893	100,260	94,520	149,238	331,586	991,577	877,731
Other income	18,612	500	70,793	-	77,130	53,061	220,096	203,026
Less: deferred income	-	-	-	-	(5,897)	(12,080)	(17,977)	(78,933)
	<u>200,692</u>	<u>134,393</u>	<u>363,193</u>	<u>94,520</u>	<u>220,471</u>	<u>372,567</u>	<u>1,385,836</u>	<u>1,001,824</u>
Analysis by fund								
Unrestricted funds	18,612	-	70,793	-	-	4,500	93,905	
Restricted funds	182,080	134,393	100,260	94,520	220,471	368,067	1,099,791	
Restricted capital fund	-	-	192,140	-	-	-	192,140	
	<u>200,692</u>	<u>134,393</u>	<u>363,193</u>	<u>94,520</u>	<u>220,471</u>	<u>372,567</u>	<u>1,385,836</u>	
For the year ended 31 March 2022								
Unrestricted funds	29,746	-	52,460	-	-	-		82,206
Restricted funds	179,880	117,158	96,403	94,520	147,712	283,945		919,618
	<u>209,626</u>	<u>117,158</u>	<u>148,863</u>	<u>94,520</u>	<u>147,712</u>	<u>283,945</u>		<u>1,001,824</u>

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Charitable activities (Continued)

	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total 2023	Total 2022
	£	£	£	£	£	£	£	£
Performance related grants								
Scottish Government	93,480	-	-	94,520	-	15,148	203,148	296,169
Shetland Islands Council	-	18,000	-	-	22,800	35,103	75,903	86,232
Shetland Charitable Trust	88,600	67,000	95,400	-	-	31,300	282,300	276,300
Children in Need	-	29,836	-	-	-	-	29,836	28,624
Shared Care Scotland	-	-	-	-	61,224	-	61,224	27,463
National Lottery Community Fund	-	-	-	-	-	-	-	3,333
Carers Trust	-	-	-	-	65,214	-	65,214	43,318
Life Changes Trust	-	19,057	-	-	-	-	19,057	21,558
Highlands and Islands Enterprise	-	-	4,860	-	-	-	4,860	3,403
Other	-	-	-	-	-	250,035	250,035	91,331
	<u>182,080</u>	<u>133,893</u>	<u>100,260</u>	<u>94,520</u>	<u>149,238</u>	<u>331,586</u>	<u>991,577</u>	<u>877,731</u>

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

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Investments

	2023	2022
	£	£
Interest receivable - Restricted	445	531
	<u> </u>	<u> </u>

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

5 Other income

	2023	2022
	£	£
Coronavirus Job Retention Scheme funding - Restricted	-	446
	<u> </u>	<u> </u>

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities expenditure

	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total 2023	Total 2022
	£	£	£	£	£	£	£	£
Staff costs	174,461	114,315	34,650	92,564	71,473	149,918	637,381	575,506
Activities undertaken directly	14,239	37,300	53,317	6,998	97,548	136,293	345,695	347,611
Pension remeasurement	-	-	-	-	-	-	-	(15,661)
	<u>188,700</u>	<u>151,615</u>	<u>87,967</u>	<u>99,562</u>	<u>169,021</u>	<u>286,211</u>	<u>983,076</u>	<u>907,456</u>
Share of support costs (see note 7)	6,433	-	168,102	-	-	-	174,535	159,585
Share of governance costs (see note 7)	13,905	-	-	-	-	-	13,905	16,447
	<u>209,038</u>	<u>151,615</u>	<u>256,069</u>	<u>99,562</u>	<u>169,021</u>	<u>286,211</u>	<u>1,171,516</u>	<u>1,083,488</u>
Analysis by fund								
Unrestricted funds	4,674	-	140,514	-	-	-	145,188	
Restricted funds	204,364	151,615	115,555	99,562	169,021	286,211	1,026,328	
	<u>209,038</u>	<u>151,615</u>	<u>256,069</u>	<u>99,562</u>	<u>169,021</u>	<u>286,211</u>	<u>1,171,516</u>	
For the year ended 31 March 2022								
Unrestricted funds	21,857	-	142,189	-	-	-		164,046
Restricted funds	175,385	110,213	86,182	93,645	153,950	300,067		919,442
	<u>197,242</u>	<u>110,213</u>	<u>228,371</u>	<u>93,645</u>	<u>153,950</u>	<u>300,067</u>		<u>1,083,488</u>

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs	Governance costs	2023	2022	Basis of allocation
	£	£	£	£	
Depreciation	92,743	-	92,743	91,591	Cost
IT costs	81,792	-	81,792	67,994	Cost
Audit fees	-	11,205	11,205	13,357	Cost
Accountancy	-	2,700	2,700	3,090	Cost
	<u>174,535</u>	<u>13,905</u>	<u>188,440</u>	<u>176,032</u>	

8 Net movement in funds

	2023	2022
	£	£
Net movement in funds is stated after charging		
Auditors remuneration (including VAT)		
Audit fees	11,205	13,357
Accountancy services	2,700	3,090
Depreciation of owned tangible fixed assets	<u>92,743</u>	<u>91,591</u>

9 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

Number of employees

The average monthly number employees during the year was:

	2023 Number	2022 Number
Management	2	2
Administration	4	4
Project workers	16	17
Manual	1	2
	<u>23</u>	<u>25</u>

Employment costs

	2023 £	2022 £
Wages and salaries	538,111	491,376
Social security costs	50,216	43,131
Other pension costs	49,054	40,999
	<u>637,381</u>	<u>575,506</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
	<u>1</u>	<u>1</u>

11 Taxation

HMRC recognises the company as a Scottish charity and it is not liable to Corporation Tax on its charitable activities.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Land and buildings £	Office equipment £	Total £
Cost			
At 1 April 2022	2,270,547	63,562	2,334,109
Additions	-	7,468	7,468
At 31 March 2023	<u>2,270,547</u>	<u>71,030</u>	<u>2,341,577</u>
Depreciation and impairment			
At 1 April 2022	1,540,444	57,407	1,597,851
Depreciation charged in the year	90,822	1,921	92,743
At 31 March 2023	<u>1,631,266</u>	<u>59,328</u>	<u>1,690,594</u>
Carrying amount			
At 31 March 2023	<u>639,281</u>	<u>11,702</u>	<u>650,983</u>
At 31 March 2022	<u>730,103</u>	<u>6,155</u>	<u>736,258</u>

The purchase of the property was grant funded and there is a burden on the title of the property which means it cannot be used for investment purposes or to obtain security. The value will be recovered through the charitable activities carried out in Market House.

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	4,515	4,509
Prepayments and accrued income	195,995	2,175
	<u>200,510</u>	<u>6,684</u>

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Trade creditors		13,535	243
Deferred grants	15	17,976	78,933
Other creditors and accruals		18,239	20,426
Short term compensated absences (holiday pay)		9,655	20,328
		<u>59,405</u>	<u>119,930</u>

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Deferred income

Included within creditors is £17,976 (2022 - £78,933) from Shared Care Scotland, Young Start Lottery Community Fund, Ideas Fund and Time to Shine (2022 - Shared Care Scotland, Carers Trust, Life Changes Trust, Robertson Trust, Young Start and Co-Op Local Community Fund, Ideas Fund and Rank Foundation) in relation to future years' funding. These grants have been deferred because they are subject to performance related conditions and do not run concurrent to the accounting year. As the charity is liable to deliver a service in the next year then the corresponding income is deferred until the performance conditions have been met.

The full amount of deferred income of £78,933 from 2022 was released to income in the year.

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to income and expenditure in respect of defined contribution schemes was £27,556 (2022 - £20,359).

Contributions totalling £nil (2022 - £nil) were payable to the fund at the year end and are included in creditors.

Defined benefit schemes

SCHEME: TPT Retirement Solutions – The Growth Plan

Certain employees of the charity are members of the above scheme. The charity participates in this scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Retirement benefit schemes (Continued)

Valuation

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions (whole scheme - all employers)

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions (whole scheme - all employers)

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Funding policy

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

Other information

PRESENT VALUES OF PROVISION

	31 March 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Present value of provision	3,131	4,911	27,542

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Provision at start of period	4,911	27,542
Unwinding of the discount factor (interest expense)	93	159
Deficit contribution paid	(1,789)	(6,970)
Remeasurements - impact of any change in assumptions	(84)	(113)
Remeasurements - amendments to the contribution schedule	-	(15,707)
Provision at end of period	3,131	4,911

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Retirement benefit schemes (Continued)

Key assumptions

	2023 %	2022 %
Discount rate	5.52	2.35

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

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Interest expense	93	159
Remeasurements – impact of any change in assumptions	(84)	(113)
Remeasurements - amendments to the contribution schedule	-	(15,707)
Contributions paid in respect of current year service	*	20,725
Costs recognised in income and expenditure account	*	5,064

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

17 Capital funds

The restricted capital fund relates to the building at Market House. The new grant in 2023 relates to a capital and maintenance grant, which funds 90% of costs with 10% being internally funded, see also note 19. The balance is being reduced as the assets depreciate by transferring an equivalent amount between capital funds and unrestricted funds.

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Restricted capital fund	736,258	-	-	(91,611)	644,647
Capital Maintenance Grants - SCT	-	192,140	-	(3,550)	188,590
	<u>736,258</u>	<u>192,140</u>	<u>-</u>	<u>(95,161)</u>	<u>833,237</u>

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Restricted income funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Voluntary Action Shetland					
SCT VAS	14,630	88,602	(96,756)	-	6,476
Scot gov VAS	20,885	93,480	(107,609)	-	6,756
VAS - pension deficit	(4,911)	-	-	1,780	(3,131)
VAS					
Volunteering	22,855	94,520	(99,562)	-	17,813
Fund Distribution	10,918	71,420	(73,348)	-	8,990
Training Budget	3,463	-	(650)	-	2,813
Projects	111,803	40,052	(8,882)	-	142,973
SVA Development	53,908	-	(150)	-	53,758
Parent Link	11,598	-	(96)	-	11,502
Market House					
SCT Market House – Running Costs	17,541	100,260	(111,812)	-	5,989
SCT Market House - Capital	-	-	(3,743)	3,743	-
Projects					
Shetland Befriending Schemes					
SCT Children and YP	27,756	54,550	(72,373)	-	9,933
16+	14,787	31,520	(32,602)	1,520	15,225
ASN	8,466	29,836	(29,177)	-	9,125
Befriending and peer support	7,135	19,057	(17,809)	-	8,383
General SBS	25,505	1,781	310	-	27,596
60+	1,484	-	36	(1,520)	-
Shetland Carers					
Carers strategy	6,452	-	-	(6,452)	-
Carers - SCT/SCAS	-	75,700	(64,798)	2,594	13,496
Carers - Making Carers Count	-	64,914	(42,104)	1,153	23,963
Carers - Better Breaks	-	22,015	(18,933)	-	3,082
Carers - Fund Distribution	-	20,778	(20,778)	-	-
Carers General/Donations	8,228	10	(399)	-	7,839
Carers - TTL Winter Grants	2,316	3,905	(6,221)	-	-
Carers - Main Project	-	33,148	(15,788)	2,705	20,065
OPEN					
Peer Education	36,791	251,052	(197,140)	-	90,703
New Shetlander					
New Shetlander	2,938	5,987	(5,944)	-	2,981
	404,548	1,102,587	(1,026,328)	5,523	486,330

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Restricted income funds (Continued)

Description, nature and purposes of each fund:

Voluntary Action Shetland (**VAS**) is the umbrella organisation providing a wide range of services to voluntary organisations and third sector in Shetland. Each department supports activity as described below:

VAS – Supports development of the Third Sector and delivers work under the four core activities: To be the central source of knowledge, To be the voice, To build capacity and to connect.

VAS Volunteering - Supports volunteering in organisations, promoting volunteering in schools and throughout the community. It also supports the Saltire Awards and other recognising volunteering award schemes

VAS Fund Distribution - This department is used for any fund distribution activity.

Training Budget – This fund is used to support any VAS training activity.

Projects, Supporting Voluntary Action Development and Parent Link Departments – Funds are planned to be used to support an additional post within VAS team.

Market House - Funds all the day to day costs that occur in keeping Market House in working order, supporting charitable tenant organisations with low cost facilities and support.

PROJECT SUPPORT

Shetland Befriending Scheme – This project provides one to one support to individuals in the community. Continues to evolve and change in light of demand for the service. Demand continues to be high for the service in returning to regular face-to-face support and staff have been working on recruiting more volunteers.

The befriending **60+ Department** was closed during the year, with the funds totalling £1,520 being transferred to the **16+ Department**.

Shetland Carers – This project works closely with Shetland Islands Council and NHS Shetland to ensure that carers are supported more consistently so they can continue to care, and are able to do so in good health and with a life alongside their caring responsibilities. Short Break grants and respite options are available to offer unpaid carers a short break, alongside offering advice, support and information. Last year the Shetland Carers funds was in one Department called Carers strategy. This year the department was split into five departments based on individual funders. The opening balance from Carers Strategy totalling £6,452 was split based on individual funder underspend and transferred to the allocated new department.

The Shetland Carers **TTL Winter Grants Department** was closed as all funds used.

OPEN Peer Education Project - This project trains young people (16 – 25) as 'peer educators', to deliver workshops and training to other young people across Shetland. The project also provides a peer-mentoring project. They also support a youth café, peer researchers and are currently supporting a Time to Shine Leader who is supporting OPEN to become an independent youth led charity.

New Shetlander is a literacy magazine, published three times a year by VAS.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the directors for specific purposes:

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Designated Sustainability	110,519	93,905	(145,188)	84,935	144,171
Capital Assets Internally Funded	-	-	-	4,703	4,703
Total unrestricted funds	110,519	93,905	(145,188)	89,638	148,874

During 2018 the directors agreed to undesignate several funds and redesignate them into one new '**sustainability fund**'. This fund is to enable VAS projects to continue to deliver services in the next financial year, also for nonrecurring expenditure that will build long-term capacity and to fill any possible funding gaps of other projects. The fund is also to be used to service the defined benefit pension trust transfer of £1,780. The present level of reserves of VAS falls considerably below the target set.

During the year a transfer of £95,161 was made from the restricted capital reserve, This represents depreciation on the original Market House assets of £91,792, with further transfers reflecting movements in capital and maintenance spends of £3,369. See note 17.

Capital Assets internally funded represents the amount the Charity has funded from reserves, net of any capital grants received.

20 Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Restricted capital fund £	Total £
Fund balances at 31 March 2023 are represented by:				
Tangible assets	4,703	-	646,280	650,983
Current assets/(liabilities)	144,171	489,461	186,957	820,589
Provisions	-	(3,131)	-	(3,131)
	148,874	486,330	833,237	1,468,441

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21	Cash generated from operations	2023	2022
		£	£
	Surplus/(deficit) for the year	217,116	(80,630)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(445)	(531)
	Depreciation and impairment of tangible fixed assets	92,743	91,591
	Movements in working capital:		
	(Increase)/decrease in debtors	(193,826)	1,993
	Increase/(decrease) in creditors	432	(8,463)
	Increase in provisions	(1,780)	(22,631)
	(Decrease)/increase in deferred income	(60,957)	68,892
	Cash generated from operations	53,283	50,221

22 Analysis of changes in net debt

	Balance at 1 April 2022	Cash flows	Balance at 31 March 2023
	£	£	£
Cash at bank and in hand	447,908	45,815	493,723
Fixed term deposits	185,316	445	185,761
	<u>633,224</u>	<u>46,260</u>	<u>679,484</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	133,622	124,922

The key management personnel of the charity comprise the directors, the executive officer and the team leader.

There are no other related party transactions.