

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 2024**

VOLUNTARY ACTION SHETLAND

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|------------------|--|
| Directors | A Duncan M Flaws (Chairperson) S Laidlaw (Finance Director) O MacLeod M Stewart L Tulloch (Vice Chairperson) 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 2024

It has been another busy year at Voluntary Action Shetland (VAS). The Board approved the new VISION Strategy which gives us an agreed agenda for the future, and staff have continued to concentrate on assisting other voluntary organisations in supporting them to run well and achieve their aims and objectives.

The board has been supporting a number of changes in our direct delivery areas of work in the last year, with the OPEN project having now become an independent charity in their own right. The New Shetlander publication is also now being managed out with our offices and we wish both organisations every success in the future.

This leaves us in continuing to support the Befriending Scheme and the Shetland Carers project, both which are in high demand meeting local need thanks to the staff and volunteers that deliver these much needed services.

Without the funding we receive none of the above would be possible, I personally would like to thank all our funders for their continuous investment and much appreciated support in assisting the Third Sector in Shetland.

I would like to thank all the Directors for giving up their valuable time to attend our board meetings and making sure that the decisions we make ensure our dedicated staff have the tools and finance to carry out their duties to help charities and community groups that need support.

I would also like to thank all the staff for their hard work and ensuring that VAS is always there to provide their services/direct delivery projects for others and a final huge thank you to our volunteers who give up their time freely to support individuals in our community. We could not do this without you.

Magnus L. Flaws

.....
Magnus Flaws – Chairperson

16 August 2024

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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 2024, 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.

Following on from funding successfully received through Highlands and Islands Enterprise to support an organisational development piece of work;

The new **VISION** for Voluntary Action Shetland is:

A Strong, Sustainable and Valued Asset for Shetland, playing a leading role in Championing and Supporting Community Needs.

The new **MISSION** is:

To Support, Represent and Develop Community and Voluntary Action in Shetland.

Delivered through **CORE** Activity:

- **To be a Central Source of Knowledge** - About the Third Sector locally
- **To be the Voice** – Ensuring a strong Third Sector Voice at strategic Level within Local Planning Structures and Nationally
- **To Build Capacity** – Developing the capacity of volunteering, community groups, voluntary organisation and social enterprise to achieve positive change
- **To Connect** – Providing leadership, vision and co-ordination to the local third sector to better respond to local priorities, including through partnership and collaboration

In Partnership with the Shetland Partnership Plan:

| Participation | People | Place | Money |
|---------------|--------|-------|-------|
|---------------|--------|-------|-------|

To achieve Key Outcomes:

| | | | | |
|---|--|--|--|---|
| Voluntary Action Shetland is renowned as an exemplar model for the Sector | A proactive, respected board people want to join | Highly regarded in the Community and with Stakeholders | Making a tangible difference to the Third Sector in Shetland | Taking action to Target Emissions in line with Net Zero |
|---|--|--|--|---|

Our Guiding Values will ensure we are:

| | | | |
|-----------|---------|---------------|-------------|
| Inspiring | Leading | Collaborative | Sustainable |
|-----------|---------|---------------|-------------|

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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. Volunteer befrienders provided 1:1 support to support children, young people and adults in the community, volunteers in OPEN delivered peer education workshops to pupils in schools, alongside being peer mentors and being involved in an advisory board capacity before the project became independent on 1st November 23. In Shetland Carers a volunteer, alongside a worker supported a number of group activities for children and young people to attend. VAS also recruited a volunteer to support with on-going Market House activity.

A total of 69 volunteers contributed towards the total volunteer hours for the year of 3848. The estimated monetary value of this is £46,176 based on the Real Living Wage - £12 per hour.

Last year VAS Volunteering had 434 enquires about volunteering, placed 19 individuals in volunteering opportunities and presently has 85 volunteering opportunities registered with them.

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.

Key Development and Support work with organisations have included:

- 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; Supporting groups to 'reorganise' and amend trust deeds; Supporting groups to establish if subsidiary trading companies are required and support to set up suitable legal structures; Liaising with bodies who have been given devolved powers in Trust Deeds to remove those powers; 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); Supporting charities to comply with OSCR regulations (Meeting deadlines for Trustee Annual Reports and Annual Accounts); Keeping charities up to date with new Charity Law and other changes to legislation
- Queries around electricity costs and suppliers, insurance, bank accounts, data protection, financial record keeping, fundraising, health & safety, food hygiene training, licensing laws, gambling licenses, trading, HR, wind up, Insurance and VAT
- Support with funding applications

Last year 91 organisations received direct support from VAS staff on a range of topics. VAS also circulated 35 general newsletters, 30 funding newsletters, 2 Climate newsletters and 72 Information e-bulletins were sent out. 230 people representing approximately 200 organisations/groups have received the newsletters.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 90 Meetings were attended at 32 Multi Agency Groups.

VAS continues to represent the Third Sector on various strategic groups and forums. The list of representation 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.

Working alongside other Third Sector organisations, Voluntary Action Shetland supported the Third Sector to contribute to a vast range of strategies and support local plans including:

- Development of the Shetland Childrens Partnership Plan 23-26
- Development of Shetland Community Justice Plan 23-28
- Community and Learning Development Inspection March 24
- Input into a range of Local Partnerships Annual Reports 22/23
- 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 organisations to operate well in the community and develop to meet local need.

3. To Connect

VAS continues to connect through various forums and networks.

Third Sector Forum: Facilitated by VAS, an independent network of third sector organisations in Shetland that meets bimonthly. The Forum enables members to share information and good practice; identify needs and learn from each other; consult, identify representatives to particular bodies; act as a filter for information to and from the sector; and lobby, both locally and nationally, on issues affecting the sector. There are 30 members in the forum.

Shetland Community Facilities Network: Facilitated by VAS, which is open to the wide range of community groups which manage a facility – from community halls, boating clubs and youth centres to museums and churches. **84 groups** are represented on the Network, that meets 2 -3 times a year and offers peer support, guidance and good practice on common issues from insurance, policies and procedure, net zero strategies, volunteer recruitment, water bills, electricity bills etc.

Shetland Trustee Network - This network meets as needs arise to discuss common issues and annually in Trustees week. Last year's event in Trustees Week (Nov 2023) updated trustees on new charity law and changes to the OSCR annual reporting process. **14 people attended, representing 15 organisations.**

Shetland Community Climate Action Network: VAS is working in partnership with the SIC, Island Centre for Net Zero, Islands Community Action Network, Highlands and Islands Climate Hub and Uplift to support groups and individuals interested in climate related activity in Shetland. The Network aims to bring together interested parties, coordinate activity, resources and sign post where relevant.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Shetland Climate Change Community Champions - A further tranche of funding was obtained from the Shetland Community Led Local Development Fund to train an additional 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. The first tranche last year saw 28 people complete the course and there are currently 20 people completing the course for the second cohort (**a total of 48 people so far**). Course participants met together at the SIC Climate Festival 2023, NCDC Bruckland Festival, and a visit to Da Barn to view an aquaponics system.

Market House: Shetland's Third Sector Hub, which is owned and managed by VAS. It is the office base for **12 Independent Charities** not including VAS and their direct delivery projects. Market House has been undertaking some refurbishment over the last 12 months thanks to a capital grant from Shetland Charitable Trust. In addition to this, Market House have several rooms available for hire. Last year Market House had 3584 visitors and 3647 room bookings (403 external & 3244 resident).

More information on Market House, resident organisations and costs for room bookings can be viewed at: www.voluntaryactionshetland.com

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 Volunteering and their available services.

VAS continued to utilise 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, circulate information on a range of topics including funding, training and consultations relevant to the sector.

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 56 independent examinations last year.

Communities Mental Health and Wellbeing Funding for Adults – Along with the other 31 TSI's throughout Scotland, VAS distributed a third year of the Scottish Government Community Mental Health and Wellbeing Funding for Adults to support community activity until March 2025. Shetland's allocation totalled £71,810.80. The overarching aim of the Fund was to:

Support community based initiatives that promote and develop good mental health and wellbeing and/or mitigate and protect against the impact of distress and mental ill health within the adult population (aged 16 or over), with a particular focus on prevention and early intervention.

18 Community Groups/Organisations Received Funding to Support Local Initiatives.

Please see link to our website of funded projects: <https://www.voluntaryactionshetland.com/news/community-mental-health-and-wellbeing-fund-for-adults-awardees>

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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. Seven Awards granted totalling £4,025 enabling local young people to travel.

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 91 organisations with one to one advice on a range of topics. Key issues staff supported groups on have been stipulated in the central source of knowledge section. VAS also processed 67 PVG's for Community Groups and provide 7 Charities with Monthly Payroll Administrative Support.

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

- Roles and Responsibilities of Trustees Training & Strategic Planning
- Roles and Responsibilities of Trustees Training
- Risk Assessment Training
- Treasurer Training
- Understanding Finances
- Climate Change Community Champions

Volunteers Week 2023 - Volunteers' Week is a celebration, held annually on 1-7 June, to recognise the contributions of millions of people across the UK who volunteer in their communities. Alongside hosting the Saltire Awards ceremony in volunteers' week, VAS also had an online Social Media campaign and window display at Market House highlighting the week and celebrating volunteering.

Trustees' Week 2023 - Trustees' Week is dedicated to celebrating the achievements of the one million trustees across the UK. It took place from 6th to 10th November 2023. The theme of Trustees' Week 2023 was 'Many voices. Working together'. VAS lead an online social media campaign for the whole week recognising people who volunteer in their community in a trustee role/committee member capacity. They also held an information sharing event which updated trustees on new charity law and changes to the OSCR annual reporting process.

Promoting Volunteering - The VAS Volunteering team have been busy actively engaging in the community, attending events and promoting volunteering opportunities. There are currently 85 registered active volunteering opportunities with 19 volunteers having been placed in the last 12 months. 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:

666 voluntary organisations registered with VAS

930 active volunteers registered – 835 youth volunteers (under 25) and 95 adult volunteers

22 new volunteering opportunities promoted for organisations looking for volunteers

85 active opportunities on our database

434 enquiries from volunteers

369 enquiries from volunteer involving organisations

Saltire Awards - On Tuesday, 6th June 2023, VAS were delighted to host the annual Saltire Awards Ceremony. The Mareel auditorium was bustling with excitement as 118 young volunteers aged between 12 and 25 were celebrated at the 10th anniversary of the awards. The **118 young people** received a total of 256 certificates between them recognising the over 11,000 hours of volunteering they had collectively taken part in throughout the past year with 43 different local groups, schools and organisations. Throughout the evening, a host of activities young people have taken part in throughout the year were presented. From various sports and youth clubs, over a selection of charities, extracurricular schools activities, social change projects and even providing musical entertainment in care homes, young people were at the heart of it.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

VAS Volunteering Awards – The Voluntary Action Shetland Volunteering Awards (VAS VA) were held for the first time in 2023, developed from the success of the Community Spirit Awards held in 2020 and 2021 to recognise the kindness and support happening within communities and from voluntary organisations during COVID and the recovery period. The VAS VA Awards complement the Saltire Awards which recognise 12 -25 year olds by recognising Adults (26 and over) and Children (11 and under). Extensive research was carried out by the VAS Volunteering team to gauge an appropriate way to recognise and celebrate (to say thank you) to these volunteers. VAS held a competition to name the two award categories, one for adults and one for children. From the suggestions received the adult award was named 'Willin Haands Award' and the children's award was named 'Peerie Trows Award'. The Awards were launched on the 16th August 2023. Certificates were given out in September and a celebratory press feature was published in the Shetland Times, with individual stories shared on social media. There was an excellent response for its first year. 89 nominations received (5 duplicates received so 84 certificates given out) 75 nominations for 70 Willin Haands Awards and 14 Peerie Trows Awards, 13 children and 1 school community.

Youth and Philanthropy Initiative – New Partnership- In addition to core activities, this year, in partnership with Youth and Philanthropy Initiative (YPI) VAS Volunteering staff have been supporting the local delivery of YPI in seven high and junior high schools across Shetland. YPI is managed and principally funded by the Wood Foundation and since it was introduced to Scotland in 2008, it has engaged more than 310,000 young people who have taken responsibility for £6.8m of charitable giving. YPI is the biggest independent initiative being delivered in Scottish education. Each school is responsible for directing a grant of £3000 to a local charity championed by its students through a unique programme of teamwork, research, and competition. VAS are looking forward to continuing their partnership with YPI in the next academic year.

Financial review

Voluntary Action Shetland has confirmed funding from the Scottish Government and Shetland Charitable Trust for the next year until 31st March 2025. VAS will be submitting a future funding application for VAS Core Activity and Market House to the Shetland Charitable Trust (SCT) Main Grant Scheme when this opens in the summer 2025. VAS projects - Shetland Befriending Scheme and Shetland Carers will also be submitting a funding application to SCT.

In the year to 31 March 2024 the charity has added £43,966 of unrestricted reserves to support VAS activity leaving £192,840 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 2024 received restricted funds of £948,488 for specific projects.

In the year £1,112,919 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 2025 are £351,021 and £675,735 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 National Lottery Community Fund, Children In Need, Awards for All (National Lottery), Shared Care Scotland - Short Breaks, Better Breaks, Carers Trust, Cash back for Communities - Youthlink Scotland, CO-OP, The Ideas Fund, The Rank Foundation and Tesco's Bags of Help.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 2024 was £1,175,656 and therefore the target is £293,914 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 is £192,840. Of this £124,400 has been designated for activity with £64,708 being free reserves. The charity therefore falls short of the target level although the strategy is to continue to build reserves through self-generated charitable activities.

The total funds at the year-end were £1,219,596. Of this £552,876 represents the costs of the property held by the charity with a further £122,859 for future capital and maintenance costs. This then leaves £543,861 in working capital of which £351,021 is included in restricted funds and can only be used in accordance with specific conditions on each fund. The remaining designated funds of £192,840 and free reserves 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 deficits is to be paid over the next year 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 to be capitalised.

Plans for the Future

The Executive Officer of VAS 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 supporting activity to help with the continued Cost of Living crisis, supporting early intervention and responding to local priorities and needs.

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 (Chairperson)

S Laidlaw (Finance Director)

O MacLeod

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

M Stewart
L Tulloch (Vice Chairperson)
B Wilcock

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 their 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, relevant 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.

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 of two 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.

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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.

Magnus L. Flaws

Mr M Flaws (Chairperson)

Director

Dated: 16 August 2024

VOLUNTARY ACTION SHETLAND

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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 2024 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 2024 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

16/08/24

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 2024

| | | Unrestricted income funds £ | Restricted income funds £ | Restricted capital funds £ | Total 2024 £ | Total 2023 £ |
|---|-------|--------------------------------------|------------------------------------|-------------------------------------|--------------------|--------------------|
| | Notes | | | | | |
| <u>Income from:</u> | | | | | | |
| Donations and legacies | 2 | - | 20,299 | - | 20,299 | 2,351 |
| Charitable activities | 3 | 71,066 | 925,838 | - | 996,904 | 1,385,836 |
| Investments | 4 | - | 2,351 | - | 2,351 | 445 |
| Total income and endowments | | 71,066 | 948,488 | - | 1,019,554 | 1,388,632 |
| <u>Expenditure on:</u> | | | | | | |
| Charitable activities | 5 | 89,749 | 1,112,919 | 65,731 | 1,268,399 | 1,171,516 |
| Net incoming/(outgoing) resources before transfers | | (18,683) | (164,431) | (65,731) | (248,845) | 217,116 |
| Gross transfers between funds | 19 | 62,649 | 29,122 | (91,771) | - | - |
| Net movement in funds | | 43,966 | (135,309) | (157,502) | (248,845) | 217,116 |
| Total funds brought forward | | 148,874 | 486,330 | 833,237 | 1,468,441 | 1,251,325 |
| Total funds carried forward | | 192,840 | 351,021 | 675,735 | 1,219,596 | 1,468,441 |

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 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 558,240 | | 650,983 |
| Current assets | | | | | |
| Debtors | 13 | 135,555 | | 200,510 | |
| Investments: fixed term deposits | | 161,476 | | 185,761 | |
| Cash at bank and in hand | | 401,874 | | 493,723 | |
| | | 698,905 | | 879,994 | |
| Creditors: amounts falling due within one year | 14 | (36,086) | | (59,405) | |
| Net current assets | | | 662,819 | | 820,589 |
| Total assets less current liabilities | | | 1,221,059 | | 1,471,572 |
| Provisions for liabilities | 16 | | (1,463) | | (3,131) |
| Net assets | | | 1,219,596 | | 1,468,441 |
| Capital funds | | | | | |
| Restricted capital funds | 17 | | 675,735 | | 833,237 |
| Income funds | | | | | |
| Restricted income funds | 18 | | 351,021 | | 486,330 |
| Unrestricted income funds | 19 | | 192,840 | | 148,874 |
| | | | 1,219,596 | | 1,468,441 |

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 16 August 2024

Magnus L. Flaws

M Flaws (Chairperson)
Director

S Laidlaw

S Laidlaw (Finance Director)
Director

VOLUNTARY ACTION SHETLAND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | 2024 £ | £ | 2023 £ | £ |
|--|-------|-----------|-----------|-----------|---------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 21 | | (116,134) | | 53,283 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | - | | (7,468) | |
| Interest received | | - | | 445 | |
| Net cash used in investing activities | | | - | | (7,023) |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and fixed term deposits | | | (116,134) | | 46,260 |
| Cash and fixed term deposits at beginning of year | | | 679,484 | | 633,224 |
| Cash and fixed term deposits at end of year | | | 563,350 | | 679,484 |
| Relating to: | | | | | |
| Bank balances | | | 401,874 | | 493,723 |
| Fixed term deposits | | | 161,476 | | 185,761 |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 2024 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 year until March 2025 and the Scottish Government has committed to fund another year until March 2025, with further applications for March 2026 - 2031.

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.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 7.

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 2024

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 2024

2 Donations and legacies

| | 2024 £ | 2023 £ |
|----------------------------------|-----------|-----------|
| Donations and gifts - Restricted | 20,299 | 2,351 |

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 2024

3 Charitable activities

| | Voluntary Action Shetland | Shetland Befriending Schemes | Market House | Volunteering | Carers | Other supplementary projects and activities | Total 2024 | Total 2023 |
|---|---------------------------------|------------------------------------|----------------|----------------|----------------|--|----------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Capital grants | - | - | - | - | - | - | - | 192,140 |
| Performance related grants | 188,040 | 104,904 | 157,741 | 101,730 | 120,229 | 176,943 | 849,587 | 991,577 |
| Other income | 41,073 | 5,426 | 25,123 | - | 1,250 | 79,994 | 152,866 | 220,096 |
| Less: deferred income | - | - | - | (917) | (4,632) | - | (5,549) | (17,977) |
| | <u>229,113</u> | <u>110,330</u> | <u>182,864</u> | <u>100,813</u> | <u>116,847</u> | <u>256,937</u> | <u>996,904</u> | <u>1,385,836</u> |
| Analysis by fund | | | | | | | | |
| Unrestricted funds | 41,073 | - | 25,123 | - | - | 4,870 | 71,066 | |
| Restricted funds | 188,040 | 110,330 | 157,741 | 100,813 | 116,847 | 252,067 | 925,838 | |
| | <u>229,113</u> | <u>110,330</u> | <u>182,864</u> | <u>100,813</u> | <u>116,847</u> | <u>256,937</u> | <u>996,904</u> | |
| For the year ended 31 March 2023 | | | | | | | | |
| 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 |
| Endowment funds - general | - | - | 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> |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Charitable activities (Continued)

| | Voluntary Action Shetland | Shetland Befriending Schemes | Market House | Volunteering | Carers | Other supplementary projects and activities | Total 2024 | Total 2023 |
|-----------------------------------|---------------------------------|------------------------------------|----------------|----------------|----------------|--|----------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Performance related grants | | | | | | | | |
| Scottish Government | 97,240 | - | - | 101,730 | - | - | 198,970 | 203,148 |
| Shetland Islands Council | - | 17,961 | - | - | 22,800 | 24,238 | 64,999 | 75,903 |
| Shetland Charitable Trust | 90,800 | 68,400 | 97,700 | - | 36,100 | 16,050 | 309,050 | 282,300 |
| Children in Need | - | - | - | - | - | - | - | 29,836 |
| VAS FD | - | - | - | - | - | 73,939 | 73,939 | - |
| Shared Care Scotland | - | - | - | - | 49,249 | - | 49,249 | 61,224 |
| Carers Trust | - | - | - | - | - | - | - | 65,214 |
| Life Changes Trust | - | - | - | - | 12,080 | - | 12,080 | 19,057 |
| Highlands and Islands Enterprise | - | - | - | - | - | - | - | 4,860 |
| Other | - | 18,543 | 60,041 | - | - | 62,716 | 141,300 | 250,035 |
| | <u>188,040</u> | <u>104,904</u> | <u>157,741</u> | <u>101,730</u> | <u>120,229</u> | <u>176,943</u> | <u>849,587</u> | <u>991,577</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 2024

4 Investments

| | 2024 | 2023 |
|----------------------------------|-------------------|-------------------|
| | £ | £ |
| Interest receivable - Restricted | 2,351 | 445 |
| | <u> </u> | <u> </u> |

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

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Charitable activities expenditure

| | Voluntary Action Shetland | Shetland Befriending Schemes | Market House | Volunteering | Carers | Other supplementary projects and activities | Total 2024 | Total 2023 |
|--|---------------------------------|------------------------------------|-----------------|----------------|----------------|--|------------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Staff costs | 195,947 | 107,629 | 41,927 | 101,492 | 40,072 | 102,697 | 589,764 | 637,381 |
| Activities undertaken directly | 6,708 | 30,521 | 121,249 | 7,629 | 80,094 | 160,222 | 406,423 | 345,695 |
| | <u>202,655</u> | <u>138,150</u> | <u>163,176</u> | <u>109,121</u> | <u>120,166</u> | <u>262,919</u> | <u>996,187</u> | <u>983,076</u> |
| Grant funding of activities (see note 6) | - | - | - | - | - | 78,599 | 78,599 | - |
| Share of support costs (see note 7) | 6,509 | - | 169,482 | - | - | - | 175,991 | 174,535 |
| Share of governance costs (see note 7) | 17,622 | - | - | - | - | - | 17,622 | 13,905 |
| | <u>226,786</u> | <u>138,150</u> | <u>332,658</u> | <u>109,121</u> | <u>120,166</u> | <u>341,518</u> | <u>1,268,399</u> | <u>1,171,516</u> |
| Analysis by fund | | | | | | | | |
| Unrestricted funds | (2,595) | - | 92,344 | - | - | - | 89,749 | |
| Restricted funds | 229,381 | 138,150 | 174,583 | 109,121 | 120,166 | 341,518 | 1,112,919 | |
| Restricted capital funds | - | - | 65,731 | - | - | - | 65,731 | |
| | <u>226,786</u> | <u>138,150</u> | <u>332,658</u> | <u>109,121</u> | <u>120,166</u> | <u>341,518</u> | <u>1,268,399</u> | |
| For the year ended 31 March 2023 | | | | | | | | |
| 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> |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Grants paid

| | 2024 £ | 2023 £ |
|----------------|-----------|-----------|
| Funds for OPEN | 78,599 | - |

OPEN Peer Education Project became an independent charity in their own right on 1st November 2023. Funds were transferred into their charity account and this department was closed.

7 Support costs

| | Support costs £ | Governance costs £ | 2024 £ | 2023 £ | Basis of allocation |
|--------------|--------------------|-----------------------|-----------|-----------|---------------------|
| Depreciation | 92,743 | - | 92,743 | 92,743 | Cost |
| IT costs | 83,248 | - | 83,248 | 81,792 | Cost |
| Audit fees | - | 14,220 | 14,220 | 11,205 | Cost |
| Accountancy | - | 3,402 | 3,402 | 2,700 | Cost |
| | 175,991 | 17,622 | 193,613 | 188,440 | |

8 Net movement in funds

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Net movement in funds is stated after charging | | |
| Auditors remuneration (excluding VAT) | | |
| Audit fees | 14,220 | 11,205 |
| Accountancy services | 3,402 | 2,700 |
| Depreciation of owned tangible fixed assets | 92,743 | 92,743 |

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 2024

10 Employees

Number of employees

The average monthly number employees during the year was:

| | 2024 Number | 2023 Number |
|-----------------|----------------|----------------|
| Management | 2 | 2 |
| Administration | 5 | 4 |
| Project workers | 13 | 16 |
| Manual | 1 | 1 |
| | <u>21</u> | <u>23</u> |

Employment costs

| | 2024 £ | 2023 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 500,816 | 538,111 |
| Social security costs | 45,503 | 50,216 |
| Other pension costs | 43,445 | 49,054 |
| | <u>589,764</u> | <u>637,381</u> |

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

| | 2024 Number | 2023 Number |
|-------------------|----------------|----------------|
| £80,000 - £90,000 | <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 2024

12 Tangible fixed assets

| | Land and buildings £ | Office equipment £ | Total £ |
|------------------------------------|----------------------------|--------------------------|------------|
| Cost | | | |
| At 1 April 2023 | 2,270,547 | 71,030 | 2,341,577 |
| At 31 March 2024 | 2,270,547 | 71,030 | 2,341,577 |
| Depreciation and impairment | | | |
| At 1 April 2023 | 1,631,266 | 59,328 | 1,690,594 |
| Depreciation charged in the year | 90,822 | 1,921 | 92,743 |
| At 31 March 2024 | 1,722,088 | 61,249 | 1,783,337 |
| Carrying amount | | | |
| At 31 March 2024 | 548,459 | 9,781 | 558,240 |
| At 31 March 2023 | 639,281 | 11,702 | 650,983 |

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

| | 2024 £ | 2023 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 6,818 | 4,515 |
| Prepayments and accrued income | 128,737 | 195,995 |
| | 135,555 | 200,510 |

14 Creditors: amounts falling due within one year

| | Notes | 2024 £ | 2023 £ |
|---|-------|-----------|-----------|
| Trade creditors | | 7,607 | 13,535 |
| Deferred grants | 15 | 5,549 | 17,976 |
| Other creditors and accruals | | 17,960 | 18,239 |
| Short term compensated absences (holiday pay) | | 4,970 | 9,655 |
| | | 36,086 | 59,405 |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Deferred income

Included within creditors is £5,549 (2023 - £17,976) from Shared Care Scotland and YPI Scotland (2023 - Shared Care Scotland, Young Start Lottery Community Fund, Ideas Fund and Time to Shine) 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 £17,976 from 2023 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 £26,622 (2023 - £27,556).

Contributions totaling £nil (2023 - £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

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company 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 company 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 2024

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) |
|---------------------------------------|----------------------|-------------------|

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) |
|---|-----------------------|--|

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 2024 (£s) | 31 March 2023 (£s) | 31 March 2022 (£s) |
|----------------------------|-----------------------|-----------------------|--------------------------|
| Present value of provision | 1,463 | 3,131 | 4,911 |

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

| | Period Ending 31 March 2024 (£s) | Period Ending 31 March 2023 (£s) |
|--|--|--|
| Provision at start of period | 3,131 | 4,911 |
| Unwinding of the discount factor (interest expense) | 120 | 93 |
| Deficit contribution paid | (1,789) | (1,789) |
| Remeasurements - impact of any change in assumptions | 1 | (84) |
| Remeasurements - amendments to the contribution schedule | - | - |
| Provision at end of period | 1,463 | 3,131 |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Retirement benefit schemes (Continued)

Key assumptions

| | 2024 % | 2023 % |
|---------------|-----------|-----------|
| Discount rate | 5.31 | 5.52 |

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 2024 (£s) | Period Ending 31 March 2023 (£s) |
|--|--|--|
| Interest expense | 120 | 93 |
| Remeasurements – impact of any change in assumptions | 1 | (84) |
| Remeasurements - amendments to the contribution schedule | - | - |
| Contributions paid in respect of current year service | * | * |
| Costs recognised in income and expenditure account | * | * |

*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 balance is being reduced as the assets depreciate by transferring an equivalent amount between capital funds and unrestricted funds.

The capital maintenance grant relates to a grant from Shetland Charitable Trust to fund both capital and maintenance at Market. The resources expended in the year are in relation to maintenance costs incurred.

| | Movement in funds | | | | |
|----------------------------------|---------------------------------|----------------------------|----------------------------|----------------|----------------------------------|
| | Balance at 1 April 2023 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2024 £ |
| Restricted capital fund | 644,647 | - | - | (91,771) | 552,876 |
| Capital Maintenance Grants - SCT | 188,590 | - | (65,731) | - | 122,859 |
| | 833,237 | - | (65,731) | (91,771) | 675,735 |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 1 April 2023 | Incoming resources | Resources expended | Transfers | Balance at 31 March 2024 |
| | £ | £ | £ | £ | £ |
| <i>Voluntary Action Shetland</i> | | | | | |
| SCT VAS | 6,476 | 90,800 | (110,768) | 7,969 | (5,523) |
| Scot gov VAS | 6,756 | 97,240 | (118,612) | 8,633 | (5,983) |
| VAS - pension deficit | (3,131) | - | - | 1,668 | (1,463) |
| <i>VAS</i> | | | | | |
| Volunteering | 17,813 | 100,813 | (109,122) | - | 9,504 |
| Fund Distribution | 8,990 | 102,264 | (75,836) | - | 35,418 |
| Training Budget | 2,813 | - | - | - | 2,813 |
| Projects | 142,973 | 25,834 | (41,586) | - | 127,221 |
| SVA Development | 53,758 | - | (230) | - | 53,528 |
| Parent Link | 11,502 | - | (3,866) | - | 7,636 |
| <i>Market House</i> | | | | | |
| SCT Market House – Running Costs | 5,989 | 157,741 | (174,582) | 10,852 | - |
| <i>Projects</i> | | | | | |
| <i>Shetland Befriending Schemes</i> | | | | | |
| SCT Children and YP | 9,933 | 60,526 | (67,319) | - | 3,140 |
| 16+ | 15,225 | 27,640 | (27,569) | - | 15,296 |
| ASN | 9,125 | - | (9,290) | 165 | - |
| Befriending and peer support | 8,383 | 22,164 | (29,194) | - | 1,353 |
| General SBS | 27,596 | 20,300 | (4,776) | (165) | 42,955 |
| <i>Shetland Carers</i> | | | | | |
| Carers - SCT/SCAS | 13,496 | 36,100 | (27,175) | - | 22,421 |
| Carers - Making Carers Count | 23,963 | - | (23,963) | - | - |
| Carers - Better Breaks | 3,082 | 25,030 | (22,738) | - | 5,374 |
| Carers - Fund Distribution | - | 21,138 | (21,138) | - | - |
| Carers General/Donations | 7,839 | 1,250 | (462) | - | 8,627 |
| Carers - Creative Breaks (formerly TTL Winter Grants) | - | 10,529 | (11,792) | 5,897 | 4,634 |
| Carers - Main Project | 20,065 | 22,800 | (12,898) | (5,897) | 24,070 |
| <i>OPEN</i> | | | | | |
| Peer Education | 90,703 | 121,615 | (212,318) | - | - |
| <i>New Shetlander</i> | | | | | |
| New Shetlander | 2,981 | 4,704 | (7,685) | - | - |
| | 486,330 | 948,488 | (1,112,919) | 29,122 | 351,021 |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 Volunteering also works in partnership delivering the Youth Philanthropy Initiative to all 7 junior high/high schools in Shetland.

VAS Fund Distribution - This department is used for any fund distribution activity. The last 12 months funds have been distributed via Communities Mental Health and Wellbeing Funding for Adults and the Vaila Fund.

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

Projects, Supporting Voluntary Action Development and Parent Link Departments – Funds have been 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. Demand continues to be high for the service and staff have been working on recruiting more volunteers to meet local need. The befriending **ASN Department** was closed as no future funding was secured for this section of service beyond June 23.

Shetland Carers – This project works closely with Shetland Islands Council and NHS Shetland to ensure that carers are supported so they can continue to care, and are able to do so in good health and have 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.

The Shetland Carers **Making Carers Count** Department was closed and funds repaid to funder due to the inability to recruit maternity cover for the post.

OPEN Peer Education Project - This project became an independent charity in their own right on 1st November 23. Funds were transferred into their charity account and this department was closed.

New Shetlander – This project is now publishing their magazine independently of VAS. Funds have been transferred to cover management costs to VAS sustainability and the department is now closed.

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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:

| | Balance at 1 April 2023 | Movement in funds | | | Balance at 31 March 2024 |
|----------------------------------|----------------------------|----------------------------|----------------------------|----------------|-----------------------------|
| | £ | Incoming resources £ | Resources expended £ | Transfers £ | £ |
| Unrestricted reserve | 144,171 | 71,066 | (89,749) | (60,780) | 64,708 |
| Capital Assets Internally Funded | 4,703 | - | - | (971) | 3,732 |
| Staff development | - | - | - | 14,400 | 14,400 |
| Staff Health and Wellbeing | - | - | - | 20,000 | 20,000 |
| Supporting Operational Activity | - | - | - | 70,000 | 70,000 |
| Project Funding | - | - | - | 20,000 | 20,000 |
| Total unrestricted funds | 148,874 | 71,066 | (89,749) | 62,649 | 192,840 |

The directors reviewed the unrestricted funds including the designation of some of those funds and agreed to rename the sustainability fund the Unrestricted reserve after specific funds were designated. Those designated funds comprise:

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

Funds have been earmarked for staff training which is not supported elsewhere, in recognition that training is important for staff. This is based on training needs over the next 4 years.

Staff and Wellbeing which will allow potential purchase of an Employee Assistance Programme, and reasonable adjustments including equipment and appropriate activities to strengthen and support health and wellbeing over the medium term.

Support operational activity recognises there is a budgeted shortfall for 24/25 and this amount is set aside to cover this.

Project funding is to support new areas of activity over the next 4 years to allow new projects to be developed which support Voluntary Action Shetland's objectives.

The remaining balance of £64,708 remains as the unrestricted reserve and this continues to fall short of the target set.

20 Analysis of net assets between funds

| | Unrestricted fund £ | Restricted fund £ | Restricted capital fund £ | Total £ |
|--|---------------------------|-------------------------|---------------------------------|------------|
| Fund balances at 31 March 2024 are represented by: | | | | |
| Tangible assets | 5,184 | - | 553,056 | 558,240 |
| Current assets/(liabilities) | 187,656 | 352,484 | 122,679 | 662,819 |
| Provisions | - | (1,463) | - | (1,463) |
| | 192,840 | 351,021 | 675,735 | 1,219,596 |

VOLUNTARY ACTION SHETLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

| | | | |
|-----------|---|------------------|---------------|
| 21 | Cash generated from operations | 2024 | 2023 |
| | | £ | £ |
| | (Deficit)/surplus for the year | (248,845) | 217,116 |
| | Adjustments for: | | |
| | Investment income recognised in statement of financial activities | (2,351) | (445) |
| | Depreciation and impairment of tangible fixed assets | 92,743 | 92,743 |
| | Movements in working capital: | | |
| | Decrease/(increase) in debtors | 67,306 | (193,826) |
| | (Decrease)/increase in creditors | (10,892) | 432 |
| | Increase in provisions | (1,668) | (1,780) |
| | (Decrease) in deferred income | (12,427) | (60,957) |
| | Cash (absorbed by)/generated from operations | (116,134) | 53,283 |
| 22 | Analysis of changes in net debt | | |

| | Balance at 1 April 2023 | Cash flows | Balance at 31 March 2024 |
|--------------------------|------------------------------------|-------------------|-------------------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 493,723 | (91,849) | 401,874 |
| Fixed term deposits | 185,761 | (24,285) | 161,476 |
| | <u>679,484</u> | <u>(116,134)</u> | <u>563,350</u> |

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | | |
|------------------------|-------------|-------------|
| | 2024 | 2023 |
| | £ | £ |
| Aggregate compensation | 143,088 | 133,622 |

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

There are no other related party transactions.