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 2026

VOLUNTARY ACTION SHETLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	M Flaws (Chairperson) V Nicolson L Tulloch (Vice Chairperson) I Webb B Wilcock M Brill
Secretary and Executive Officer	L Tulloch
Charity number (Scotland)	SC017286
Company number	SC165677
Registered office	Market House 14 Market Street Lerwick Shetland ZE1 0JP
Auditor	A.J.B. Scholes Ltd St Olaf's Hall Church Road Lerwick Shetland Isles ZE1 0FD
Bankers	Bank of Scotland 117 Commercial Street Lerwick ZE1 0DL

VOLUNTARY ACTION SHETLAND

CHAIRPERSON'S REPORT

FOR THE YEAR ENDED 31 MARCH 2026

Welcome to the Voluntary Action Shetland (VAS) Annual Report 2025/26. Once again, I am amazed at the amount of work that the staff have carried out to support the voluntary sector of our community.

More and more charities and community groups are using VAS for support, advice and information to ensure their organisations are run effectively and governed well.

Our annual Saltire Awards Ceremony has highlighted that young people are doing increased amounts of volunteering, helping others and making a positive impact in their communities. The number of awards increased from 164 in 2024 to 185 in 2025 with young people supporting their local clubs and communities all the way from the South Mainland Swimming Club to the Uyeasound Hall.

Our Chief Executive along with other Third Sector and Statutory Leaders attended events last year on the mainland with a key agenda of Whole Family Support: '*Working Together To Get It Right*'. John Swinney MSP, the First Minister for Scotland, set out his vision for whole family support and gave his commitment towards working together to remove all barriers to make this happen. VAS is working hard with partners to support Third Sector's increased collaboration with statutory partners to work better together for positive outcomes for those in our community.

I hope you enjoy reading more about our work over the last 12 months in this report. None of the work in our annual report would be possible without our hard-working staff and funders who each year see the benefits of VAS and keep supporting us, thank you for your continued investment.

I would also like to sincerely thank our Board Members for giving up their time to attend board meetings, ensuring that the staff have the necessary finances and resources to carry out their duties in supporting charities and community groups. Thank you all.

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Magnus Flaws – Chairperson

28 July 2026

VOLUNTARY ACTION SHETLAND

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2026

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 2026, 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 to that end bring together in Council representatives of the statutory authorities and voluntary 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.

The **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 **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; about local and national policy and how it might affect local Third Sector and Volunteers; And how the Third Sector can contribute to those agendas
- **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

Volunteers

During the year the charity was dependent on volunteers for the continued provision of one of their direct delivery projects: The Shetland Befriending Scheme. Volunteer befrienders provided 1:1 support to support children, young people and adults in the community. VAS also has a volunteer handyperson to support with on-going Market House activity.

A total of 30 volunteers contributed towards the total volunteer hours for the year of 1,714. The estimated monetary value of this is £23,053 based on the Real Living Wage - £13.45 per hour.

Last year VAS Volunteering had 594 enquires about volunteering, provided 1:1 support to place 32 individuals into volunteering opportunities and presently has 77 volunteering opportunities registered with them.

Achievements and performance
1. To be a Central Source of Knowledge

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 CIC registration, the SCIO process and charity registration for both new and existing organisations
- Supporting the establishment of new community organisations and 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 groups to change their constitutions/writing supplemental deeds of trust and supporting charitable companies to change their Memorandum and Articles of Associations
- Helping groups understand the roles and responsibilities of trustees/directors
- Strategic planning support for groups
- Recruiting committee members/trustees and succession planning
- Advice on establishing policies and procedures (including Conflict of Interest, Equality & Diversity, Fair Work, 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 the implementation of new Charity Law (trustee database, new trustee disqualification criteria etc) and other changes to legislation such as the Disclosure (Scotland) Act 2020, the New Fundraising Code of Practice, Companies House Identity verification of Charity Directors, Charity SORP;
- Queries around disclosure and PVGs, electricity costs and suppliers, insurance, independent examination, bank accounts, data protection, financial record keeping, fundraising, health & safety (risk assessment, first aid, safeguarding), food hygiene training, licensing laws, gambling licenses, conveyancing, employment, trading, land and buildings transaction tax and VAT.

Last year 106 organisations received direct support from VAS staff on a range of topics. VAS also circulated 29 general newsletters, 29 funding newsletters, 5 Climate newsletters and 116 Information e-bulletins were sent out. Approximately 230 people representing approximately 200 organisations/groups have received the newsletters.

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 119 Meetings were attended at 44 Multi Agency Groups – Local and National.

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.

As part of the Public Sector Reform agenda and the Scottish Governments commitment to tackle Child Poverty, there has been an increased need for all partners to work better together for improved outcomes for Children and Families. VAS sits on a wide range of strategic partnerships to support a more joined up approach of service provision across statutory and third sector, alongside supporting a shift in early intervention and prevention.

Some examples of working alongside other Third Sector organisations, Voluntary Action Shetland supported Third Sector Partners to contribute to:

- Shetland Local Employability Partnership Development Day
- How good is our Third Sector in Local Children Services Planning toolkit with Children in Scotland colleagues
- A range of Local Partnerships Annual Reports 2024/2025

VAS contributed information once more to support the publication of Shetland in Statistics. no-44-shetland-in-statistics-2024

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. 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 54 independent examinations last year.

Communities Mental Health and Wellbeing Funding for Adults – Along with other Third Sector Interface's throughout Scotland, Voluntary Action Shetland distributed a 5th year of the Scottish Government Community Mental Health and Wellbeing Fund for Adults to support community activity until March 2027.

Shetland's initial allocation for year 5 totalled £71,522.98 and there was additional funding provided totalling £14,310.60 after the First Minister's announcement on 29th December 25. £1,577.28 was returned to VAS from previous year awardees, hence the total for VAS to allocate for year 5 of the funding was £87,410.86.

The overarching aim of the Fund is 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

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. 7 Awards Granted totalling £4,295 enabled seven young people to experience travel.

Support - VAS provides tailored and flexible support to build the capacity of as many voluntary organisations in Shetland as possible by responding to queries as they arise, and through targeted support and training. In providing the support, it enables local groups to run well which, in turn, supports them to meet local needs/ demands.

This year VAS staff assisted 106 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 provided 9 Charities with Monthly Payroll and/or accounts support.

Training - VAS staff have provided training to groups and organisations. Topics have included:

- Roles and Responsibilities of Trustees training
- Risk Assessment Training
- Financial Management Training
- Trauma Informed Awareness Training
- Train the Trainer Trauma Informed Awareness Training
- Organisational Structures
- National Training for TSI Advisors on Charity Re-organisation and SCIO's

Volunteers Week 2nd- 8th June 2025 - VAS held the Saltire Award Ceremony in Volunteers Week to recognise and celebrate young volunteers. VAS also shared posts on Facebook where organisations had said thank you to their volunteers. Additional promotion was a window display at Market House and a social media promotion on volunteering opportunities registered with VAS grouped into categories: Youth / Board Member Trustee / Care and Support / Home based / Nature and Animals / Sport and Leisure.

Trustees' Week 3rd - 7th November 2025 - Trustees' Week, celebrated the vital contributions of charity trustees across Scotland and the UK. Trustees' Week is an annual event that recognizes the important work carried out by nearly one million charity trustees across the UK. It serves as a platform to celebrate their achievements, encourage more people to consider becoming trustees, and provide opportunities for skills development and networking within the charity sector. 2025 year's national theme was: *Good Governance – strong boards for sustainable organisations*. VAS undertook a weeklong social media campaign celebrating several Trustees from local charities.

Promoting Volunteering – The VAS Volunteering team have continued to support individuals to find suitable volunteering opportunities and also support organisations to recruit and reward their volunteers in the past year. Highlights included a record-breaking number of volunteers being put forward for our Saltire Awards and a third really successful year of our 'Willin Haands' and 'Peerie Trows' Awards.

VAS Volunteering staff were out and about in the community attending the Living Well Hub in Brae, Jobcentre+, Community Hubs, schools and youth groups. Staff once more attended larger events including the Country Shows and Careers Events.

704 voluntary organisations registered with VAS
1018 active volunteers registered – 928 youth volunteers (under 25) and 90 adult volunteers
15 new volunteering opportunities promoted for organisations looking for volunteers
77 active opportunities on our database
32 Volunteers given 1:1 support to find, be placed and supported into a volunteering opportunity
594 enquiries from volunteers
285 enquiries from volunteer involving organisations
104 Organisations supported on volunteering issues

Saltire Awards – VAS were delighted to host the annual Saltire Awards Ceremony at Mareel on Tuesday 3rd June 2025. Another record-breaking year of volunteering for young people saw the age limit for Saltire Awards lowered to 11, which no doubt contributed to the high number of young volunteers put forward for an award.

185 young people received a total of 335 certificates between them, recognising the over 22,500 hours of volunteering they had collectively taken part in within 70 different local groups, schools and organisations.

Musical entertainment on the night was provided by the Forget Me Notes, a talented group of young fiddle players, who welcomed everyone with their traditional tunes before the ceremony began.

This year, the majority of the event was led by a group of young volunteers who were part of the Shetland Youth Voice. Ava, Kali, Erin and Beenie-Ann not only opened the event with a speech but also presented and read out the case studies for most of this year's awardees.

Once again, organisations who had put forward a large number of volunteers were highlighted throughout the evening. The wide range of groups ranged from the expressive arts of drama and dance, to those supporting the wider community through peer support and local events.

At the end of the night, 8 young people received a Summit Award. This is the most prestigious Saltire Award which is only achieved by volunteers who have been nominated by their supervisors for making an outstanding contribution to volunteering in their local area. Volunteers receiving this accolade represented Shetland Youth Services, Cope Ltd., Open Door Drama and Shetland Army Cadets.

The event was brought to a close by one of this year's Summit Award recipients, Vaila Thompson. She wrapped up the evening with a speech about her impressive volunteering journey across several very different aspects of her life.

VAS Volunteering Awards – The VAS Volunteering Awards were launched for a 3rd year in September 2025. The awards consist of two categories, the 'Willin Haands Award' for adults aged 26 and over, and the 'Peerie Trows Award' for children 11 and under. The awards complement the national Saltire Awards scheme, which VAS deliver annually to recognise young people and their volunteering efforts aged 11 to 25.

The aim of the VAS Volunteering Awards is to recognise and celebrate Shetland's many willing helpers and volunteers of all ages who help out and volunteer in their communities the length and breadth of Shetland. We recognised all volunteers both formal and informal, who help out through volunteer involving organisations and informally by helping in their local communities, supporting neighbours with shopping, welfare checks, baking for teas, litter picking and many other activities. The Awards also focused on Trustees this year.

49 nominations were received for 48 awardees:

- 42 Willin Haands - for adults aged 26+
- 6 Peerie Trows - for children aged under 12

Certificates were awarded across the length and breadth of the Isles. Voluntary services and acts of kindness the recipients provided for Shetland included being good neighbours, providing many years' service to recording and sharing Shetland's history, helping at the local hall or clubs and organisations, committee members, supporting vulnerable folk, cleaning verges and picking up litter and fundraising to mention a few, many providing several years of volunteering.

Youth and Philanthropy Initiative – In addition to core activities, VAS Volunteering has supported the local delivery of the Youth and Philanthropy Initiative (YPI) in secondary schools across Shetland for the third year running.
YPI is the biggest independent initiative being delivered across Scottish education, where each school is responsible for directing a grant of £3,000 to a local charity championed by its students. YPI engages students in a powerful active citizenship programme, empowering young people to make a difference in their communities while developing a range of skills and knowledge on social issues and local charities.

Locally, VAS have continued to co-facilitate the final showcase event at 6 Secondary/Junior High Schools, where pupils present their case for a chosen charity. VAS are looking forward to continuing their partnership with The Wood Foundation and YPI in the upcoming academic year.

4. 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 to share good practice. 29 members in the forum.

Shetland Community Facilities Network: 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. 76 organisations supported through the network.

Market House: Shetland's Third Sector Hub, owned and managed by VAS. It is the office base for 13 Independent Charities including VAS. Last year Market House had 4834 visits and 3396 room bookings (292 external & 3104 resident groups). More information on Market House, resident organisations and costs for room bookings can be viewed online at:
Market House
Voluntary Action Shetland

Climate Action Activity

Shetland Community Climate Action Network: Continuing to work in partnership with the Shetland Islands Council, Island Centre for Net Zero, Islands Community Action Network, Highlands and Islands Climate Hub, Highlands and Islands Enterprise, Local Energy Scotland, Community Energy Scotland 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 signpost where relevant. VAS supports the network with regular bulletins on climate related news and funding opportunities.

Shetland Climate Café: 5 Café meetings were held during this period on the topics of community growing, Peer learning from the Oxford Climate Collective, SG Climate Change Plan consultation, Circular Economy (NHS Warp It and Cope Home store), Xmas crafts, Intangible culture and natural heritage, with a total of 75 people attending the cafes.

Scottish Government Draft Climate Plan consultation: facilitated workshops were delivered for people to attend to provide their thoughts on the draft plan which were fed back through the Royal Scottish Geographical Society.

VAS continued to utilise their social media presence with the Voluntary Action Shetland Facebook page and the Voluntary Action Volunteering Facebook page. VAS are also on Instagram – the numbers following, reacting and sharing the information continues to grow and VAS have also used social media to promote their work, celebrate achievements, promote volunteering and circulate information on a range of topics including funding, training and consultations relevant to the sector.

Financial review

Voluntary Action Shetland has confirmed funding from the Scottish Government until 31st March 2027. The Scottish Government is an annual grant for Core Activity. VAS was successful in securing funding from the Shetland Charitable Trust for Core Activity for the next year until 31st March 2027 with indicative funding for the next 4 years up to 31st March 2030.

In the year to 31 March 2026 the charity has added £83,510 and used £94,693 of unrestricted reserves to support VAS activity leaving £271,034 to carry forward in unrestricted reserves after transfers.

Voluntary Action Shetland has been successful in attracting funds for the organisation and during the financial year to 31 March 2026 received restricted funds of £818,092 for specific projects.

In the year £846,019 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 2026 are £300,478 and £417,207 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 Wood Foundation, The National Lottery Community Fund, Shared Care Scotland - Short Breaks, Shetland Community Benefit Fund.

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 2026 was £853,223 and therefore the target is £213,306 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 £271,034. Of this £145,363 has been designated for activity with £125,671 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 £988,719. Of this £372,503 represents the costs of the property held by the charity with a further £44,704 for future capital and maintenance costs. This then leaves £571,512 in working capital and fixed assets of which £300,478 is included in restricted funds and can only be used in accordance with specific conditions on each fund. The remaining designated funds of £271,034 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 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 reserves 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 on-going impact of the cost of living challenges, supporting early intervention and prevention 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 and up to the date of signature of the financial statements were:

M Flaws (Chairperson)	
S Laidlaw (Finance Director)	(Resigned 26 August 2025)
O MacLeod	(Resigned 26 August 2025)
V Nicolson	
L Tulloch (Vice Chairperson)	
I Webb	
B Wilcock	
M Brill	(Appointed 19 November 2025)

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 6 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.

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

A.J.B. Scholes Ltd were appointed as auditors and has indicated its willingness to continue in office.

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.

M Flaws (Chairperson)
Director
Dated: 28 July 2026

L Tulloch (Vice Chairperson)
Director
Dated:28 July 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2026

The directors, who also act as trustees for the charitable activities of page 1, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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 OF VOLUNTARY ACTION SHETLAND

Opinion

We have audited the financial statements of Voluntary Action Shetland (the 'charitable company') for the year ended 31 March 2026 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 2026 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 charity'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 accounts and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the accounts 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 accounts 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 accounts 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 (CONTINUED)

TO THE DIRECTORS OF VOLUNTARY ACTION SHETLAND

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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. 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 the register on the 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 accounts 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.

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.

Irene Hambleton (Senior Statutory Auditor)
For and on behalf of A.J.B. Scholes Ltd, Statutory Auditor
Chartered Accountants
St Olaf's Hall
Church Road
Lerwick
Shetland Isles
ZE1 0FD
Date: 28 Sept 2026

A.J.B. Scholes Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

VOLUNTARY ACTION SHETLAND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted income funds 2026 £	Restricted income funds 2026 £	Restricted capital funds 2026 £	Total 2026 £	Unrestricted income funds 2025 £	Restricted income funds 2025 £	Restricted capital funds 2025 £	Total 2025 £
Income from:									
Donations and legacies	2	-	3,708	-	3,708	-	2,145	-	2,145
Charitable activities	4	72,792	814,384	-	887,176	86,681	755,402	-	842,083
Investments	3	10,718	-	-	10,718	-	-	-	-
Total income		83,510	818,092	-	901,602	86,681	757,547	-	844,228
Expenditure on:									
Charitable activities	5	94,693	846,019	6,155	946,867	110,880	846,960	72,000	1,029,840
Total expenditure		94,693	846,019	6,155	946,867	110,880	846,960	72,000	1,029,840
Net expenditure		(11,183)	(27,927)	(6,155)	(45,265)	(24,199)	(89,413)	(72,000)	(185,612)
Transfers between funds		86,421	498	(86,919)	-	27,155	66,299	(93,454)	-
Net movement in funds	10	75,238	(27,429)	(93,074)	(45,265)	2,956	(23,114)	(165,454)	(185,612)
Reconciliation of funds:									
Fund balances at 1 April 2025		195,796	327,907	510,281	1,033,984	192,840	351,021	675,735	1,219,596
Fund balances at 31 March 2026		271,034	300,478	417,207	988,719	195,796	327,907	510,281	1,033,984

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Company Registration No. SC165677
VOLUNTARY ACTION SHETLAND

BALANCE SHEET
AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible assets	12		375,437		463,814
Current assets					
Debtors	13	52,724		55,855	
Investments: fixed term deposits		89,363		167,342	
Cash at bank and in hand		511,016		379,522	
		653,103		602,719	
Creditors: amounts falling due within one year	14	(38,752)		(30,982)	
Net current assets			614,351		571,737
Total assets less current liabilities			989,788		1,035,551
Provisions for liabilities	20		(1,069)		(1,567)
Net assets			988,719		1,033,984
Capital funds					
Restricted capital funds	15		417,207		510,281
Income funds					
Restricted income funds	18		300,478		327,907
Unrestricted income funds	17		271,034		195,796
			988,719		1,033,984

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These accounts 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 accounts were approved by the Directors on 28 July 2026

M Flaws (Chairperson)
Director

L Tulloch (Vice Chairperson)
Director

VOLUNTARY ACTION SHETLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		48,064		(19,250)
Investing activities					
Purchase of tangible fixed assets		(5,267)		-	
Interest received		10,718		2,764	
Net cash generated from investing activities			5,451		2,764
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and fixed term deposits			53,515		(16,486)
Cash and fixed term deposits at beginning of year			546,864		563,350
Cash and fixed term deposits at end of year			600,379		546,864
Relating to:					
Bank balances			511,016		379,522
Fixed term deposits			89,363		167,342

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 accounts 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 2026 and into the medium term, they are satisfied there are sufficient resource 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 2027 with indicative funding until March 2030 and the Scottish Government has committed to fund another year until March 2027.

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.

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 9.

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 the statement of financial activities.

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.

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.

2 Income from donations and legacies

	Restricted funds 2026 £	Restricted funds 2025 £
Donations and gifts	3,708	2,145

3 Income from investments

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Other income	10,718	-

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

4 Income from charitable activities

	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total
	2026	2026	2026	2026	2026	2026	2026
	£	£	£	£	£	£	£
Performance related grants	380,144	143,966	110,000	3,557	3,794	87,411	728,872
Other income	29,364	-	112,108	-	783	16,769	159,024
Less: deferred income	-	-	-	(720)	-	-	(720)
	409,508	143,966	222,108	2,837	4,577	104,180	887,176
Analysis by fund							
Unrestricted funds	29,364	-	43,428	-	-	-	72,792
Restricted funds	380,144	143,966	178,680	2,837	4,577	104,180	814,384
	409,508	143,966	222,108	2,837	4,577	104,180	887,176

4 Income from charitable activities (Continued)

Performance related grants analysis

	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total
	2026	2026	2026	2026	2026	2026	2026
	£	£	£	£	£	£	£
Scottish Government	195,520	-	-	3,557	-	-	199,077
Shetland Islands Council	-	17,000	-	-	(34,406)	-	(17,406)
Shetland Charitable Trust	105,000	78,000	110,000	-	5,212	-	298,212
VAS FD	-	-	-	-	-	87,411	87,411
Shared Care Scotland	-	-	-	-	32,988	-	32,988
Other	79,624	48,966	-	-	-	-	128,590
	380,144	143,966	110,000	3,557	3,794	87,411	728,872

	2025	2025	2025	2025	2025	2025	2025
	£	£	£	£	£	£	£
Scottish Government	97,240	-	-	78,030	-	-	175,270
Shetland Islands Council	-	17,000	-	-	22,800	-	39,800
Shetland Charitable Trust	93,100	69,800	100,200	-	37,000	-	300,100
VAS FD	-	-	-	-	-	71,944	71,944
Shared Care Scotland	-	-	-	-	39,536	-	39,536
Other	-	32,769	-	24,017	-	-	56,786
	190,340	119,569	100,200	102,047	99,336	71,944	683,436

4 Income from charitable activities (Continued)

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.

4 Income from charitable activities

(Continued)

Previous year:

	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total
	2025	2025	2025	2025	2025	2025	2025
	£	£	£	£	£	£	£
Performance related grants	190,340	119,569	100,200	102,047	99,336	71,944	683,436
Other income	57,102	5,962	99,321	-	1,950	2,008	166,343
Less: deferred income	-	-	-	(917)	(6,779)	-	(7,696)
	247,442	125,531	199,521	101,130	94,507	73,952	842,083
Analysis by fund							
Unrestricted funds	57,102	-	29,579	-	-	-	86,681
Restricted funds	190,340	125,531	169,942	101,130	94,507	73,952	755,402
	247,442	125,531	199,521	101,130	94,507	73,952	842,083

5 Expenditure on charitable activities

	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total
	2026	2026	2026	2026	2026	2026	2026
	£	£	£	£	£	£	£
Direct costs							
Staff costs	318,232	120,291	51,161	-	5,808	16,065	511,557
Activites undertaken directly	26,461	25,593	53,734	-	41,319	982	148,089
	344,693	145,884	104,895	-	47,127	17,047	659,646
Grant funding of activities (see note 6)	-	-	-	-	-	91,706	91,706
Support	7,650	-	170,213	-	-	-	177,863
Governance	17,652	-	-	-	-	-	17,652
	369,995	145,884	275,108	-	47,127	108,753	946,867
Analysis by fund							
Unrestricted funds	4,257	-	90,436	-	-	-	94,693
Restricted funds	365,738	145,884	178,517	-	47,127	108,753	846,019
Endowment funds	-	-	6,155	-	-	-	6,155
	369,995	145,884	275,108	-	47,127	108,753	946,867

5 Expenditure on charitable activities

(Continued)

Previous year:	Voluntary Action Shetland	Shetland Befriending Schemes	Market House	Volunteering	Carers	Other supplementary projects and activities	Total
	2025	2025	2025	2025	2025	2025	2025
	£	£	£	£	£	£	£
Direct costs							
Staff costs	208,106	105,000	50,807	106,207	30,577	7,667	508,364
Activites undertaken directly	26,994	21,405	116,364	5,715	47,442	6,509	224,429
	235,100	126,405	167,171	111,922	78,019	14,176	732,793
Grant funding of activities (see note 6)	-	-	-	-	-	102,547	102,547
Support	5,882	-	170,998	-	-	-	176,880
Governance	17,620	-	-	-	-	-	17,620
	258,602	126,405	338,169	111,922	78,019	116,723	1,029,840
Analysis by fund							
Unrestricted funds	20,042	-	90,838	-	-	-	110,880
Restricted funds	238,560	126,405	175,331	111,922	78,019	116,723	846,960
Endowment funds	-	-	72,000	-	-	-	72,000
	258,602	126,405	338,169	111,922	78,019	116,723	1,029,840

6 Grants paid

	2026	2025
	£	£
Community mental health & welllbeing grants	87,411	74,072
Shetland pre school play grants	-	28,325
Vaila fund grants	4,295	150
	91,706	102,547

For information on the other grants please see further details on the Trustees Report on pages 4 & 5 or the company's website:
Community Mental Health and Wellbeing Fund for Adults - Awardees January 2026
Voluntary Action Shetland

7 Directors

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

8 Employees

The average monthly number of employees during the year was:

	2026	2025
	Number	Number
Management	2	2
Administration	10	7
Project workers	6	6
Manual	-	1
Total	18	16

Employment costs	2026	2025
	£	£
Wages and salaries	428,749	425,092
Social security costs	42,779	42,514
Other pension costs	40,029	40,758
	511,557	508,364

8 Employees **(Continued)**

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2026 Number	2025 Number
£80,000 - £90,000	1	1

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2026 £	2025 £
Aggregate compensation	157,984	150,347

The key management personnel of the charity comprise the directors, the executive officer and the VAS Deputy and Facilities Manager.

There are no other related party transactions.

9 Support costs

	Support costs £	Governance costs £	2026 £	2025 £	Basis of allocation
Depreciation	93,644	-	93,644	92,407	Cost
IT costs	84,219	-	84,219	84,473	Cost
Audit fees	-	14,040	14,040	14,220	Cost
Accountancy	-	3,612	3,612	3,400	Cost
	177,863	17,652	195,515	194,500	

10 Net movement in funds

Net movement in funds is stated after charging

	2026 £	2025 £
Auditors remuneration		
Audit fees	14,040	14,220
Accountancy services	3,612	3,400
Depreciation of owned tangible fixed assets	93,644	92,407

11 Taxation

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

12 Tangible fixed assets

	Land and buildings	Office equipment	Total
	£	£	£
Cost			
At 1 April 2025	2,270,547	67,665	2,338,212
Additions	-	5,267	5,267
Disposals	-	(18,064)	(18,064)
At 31 March 2026	2,270,547	54,868	2,325,415
Depreciation and impairment			
At 1 April 2025	1,812,910	61,488	1,874,398
Depreciation charged in the year	90,822	2,822	93,644
Eliminated in respect of disposals	-	(18,064)	(18,064)
At 31 March 2026	1,903,732	46,246	1,949,978
Carrying amount			
At 31 March 2026	366,815	8,622	375,437
At 31 March 2025	457,637	6,177	463,814

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

	2026	2025
Amounts falling due within one year:	£	£
Other debtors	2,598	2,754
Prepayments and accrued income	50,126	53,101
	52,724	55,855

14 Creditors: amounts falling due within one year

	Notes	2026	2025
		£	£
Trade creditors		17,490	5,138
Deferred grants	16	720	7,696
Other creditors and accruals		20,542	18,148
		38,752	30,982

15 Restricted 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 House. The resources expended in the year are in relation to maintenance costs incurred.

	At 1 April 2025	Resources expended	Transfers	At 31 March 2026
	£	£	£	£
Restricted capital fund	459,422	-	(86,919)	372,503
Capital Maintenance Grants - SCT	50,859	(6,155)	-	44,704
	510,281	(6,155)	(86,919)	417,207

Previous year:	At 1 April 2024	Resources expended	Transfers	At 31 March 2025
	£	£	£	£
Restricted capital fund	552,876	-	(93,454)	459,422
Capital Maintenance Grants - SCT	122,859	(72,000)	-	50,859
	675,735	(72,000)	(93,454)	510,281

16 Deferred income

Included within creditors is £720 (2025 - £7,696) from YPI Scotland (2025 - Shared Care Scotland and YPI Scotland) 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 £7,696 from 2025 was released to income in the year.

17 Unrestricted funds

The unrestricted funds of the charity comprise general unrestricted funds and designated funds which have been set aside by the directors for specific purposes. These are made up as follows:

	At 1 April 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2026 £
Unrestricted reserve	90,556	83,510	(90,229)	41,834	125,671
Capital Assets Internally Funded	2,760	-	-	3,282	6,042
Staff Development	12,302	-	(652)	-	11,650
Staff Health and Wellbeing	18,628	-	(1,682)	-	16,946
Supporting Operational Activity	51,776	-	-	-	51,776
Room Refurbishment	3,927	-	(2,130)	-	1,797
Market House Contingency	15,847	-	-	41,305	57,152
	195,796	83,510	(94,693)	86,421	271,034

Previous year:	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Unrestricted reserve	64,708	86,611	(107,340)	46,577	90,556
Capital Assets Internally Funded	3,732	-	-	(972)	2,760
Staff development	14,400	-	(2,098)	-	12,302
Staff Health and Wellbeing	20,000	70	(1,442)	-	18,628
Supporting Operational Activity	70,000	-	-	(18,224)	51,776
Project Funding	20,000	-	-	(20,000)	-
Room Refurbishment	-	-	-	3,927	3,927
Market House Contingency	-	-	-	15,847	15,847
	192,840	86,681	(110,880)	27,155	195,796

17 Unrestricted funds **(Continued)**

The directors reviewed the unrestricted funds and agreed a transfer of self generated income to the Market House Contingency Fund. The designated funds comprise of:

Capital Assets Internally Funded - Represents the amount the Charity has funded from reserves, net of any capital grants received

Staff Development - Funds have been used for staff training, which is not supported elsewhere, in recognition that on-going training and development is important for staff. The balance is based on training needs for the next 3 years.

Staff Health and Wellbeing - Funds have been used to support the buy in of an Employee Assistance Programme, covering the costs of Occupational Health appointments for staff and team group activities.

Supporting Operational Activity - Funds have designated to support future funding shortfalls

Room Refurbishments – Funds have been designated to support Market House room refurbishments

Market House Contingency – Funds have been used to purchase a new printer/photocopier amounting to £4,740 (which has been capitalised and the funding transferred out accordingly) and a further designation of £46,045 made in the year from the unrestricted reserve. This leaves a closing balance of £57,152 which will support any future funding shortfalls in the Market House budget.

The remaining balance of £125,671 remains as the unrestricted reserve and this continues to fall short of the target set.

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2025	Incoming resources	Resources expended	Transfers	At 31 March 2026
	£	£	£	£	£
Voluntary Action Shetland					
Shetland Charitable Trust	-	107,837	(96,589)	-	11,248
Lottery Grant	-	46,914	(40,919)	-	5,995
Shetland Community Benefit Fund	-	32,710	(32,710)	-	-
Scottish Government	-	195,520	(195,520)	-	-
Pension Deficit	(1,567)	-	-	498	(1,069)
VAS					
Fund Distribution	4,815	87,411	(91,706)	-	520
Training Budget	2,057	-	(54)	-	2,003
Projects	123,616	16,769	(16,817)	-	123,568
Shetland Voluntary Action Development	53,357	-	(176)	-	53,181
Market House					
SCT Market House - Running Costs	-	178,680	(178,517)	-	163
Projects					
Shetland Befriending Schemes					
SCT Children and Young People	7,920	60,000	(59,623)	-	8,297
16+	12,349	35,000	(36,845)	-	10,504
Befriending and Peer Support	-	48,966	(48,966)	-	-
General Shetland Befriending Scheme	43,747	3,708	(450)	-	47,005
Shetland Carers					
Shetland Charitable Trust	29,038	5,212	(7,254)	-	26,996
Fund Distribution	-	39,768	(39,768)	-	-
General/Donations	6,603	783	(105)	-	7,281
Creative Breaks	6,780	(6,780)	-	-	-
SIC	39,192	(34,406)	-	-	4,786
	327,907	818,092	(846,019)	498	300,478

18 Restricted funds **(Continued)**

Previous year:	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Voluntary Action Shetland					
Shetland Charitable Trust	(5,523)	93,100	(109,759)	22,182	-
Scottish Government	(5,983)	97,240	(128,801)	37,544	-
Pension Deficit	(1,463)	-	-	(104)	(1,567)
VAS					
Volunteering	9,504	101,130	(111,922)	1,288	-
Fund Distribution	35,418	71,944	(102,547)	-	4,815
Training Budget	2,813	-	(756)	-	2,057
Projects	127,221	2,008	(5,613)	-	123,616
Shetland Voluntary Action Development	53,528	-	(171)	-	53,357
Parent Link	7,636	-	(7,636)	-	-
Market House					
SCT Market House - Running Costs	-	169,942	(175,331)	5,389	-
Projects					
Shetland Befriending Scheme					
SCT Children and Young People	3,140	60,939	(56,159)	-	7,920
16+	15,296	30,600	(33,547)	-	12,349
Befriending and Peer Support	1,353	33,992	(35,345)	-	-
General Shetland Befriending Scheme	42,955	2,145	(1,353)	-	43,747
Shetland Carers					
Shetland Charitable Trust	22,421	37,000	(30,383)	-	29,038
Better Breaks	5,374	1,700	(7,409)	335	-
Fund Distribution	-	21,346	(21,346)	-	-
General/Donations	8,627	250	(1,939)	(335)	6,603
Creative Breaks	4,634	11,411	(9,265)	-	6,780
SIC	24,070	22,800	(7,678)	-	39,192
	351,021	757,547	(846,960)	66,299	327,907

18 Restricted 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:

Voluntary Action Shetland – 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 – Pension Deficit – See note 20 for further details

Fund Distribution - This department has been 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 has been used to support Third Sector Training activity.

Projects – Funds have been used to support the climate café and VAS Community Website

Shetland Voluntary Action Development – Funds have been used to cover costs of staff membership with the Association of Charity Independent Examiners to provide the Independent Examination of Accounts service to charities and organisations.

Market House – Funds used to support the day to day costs that have occurred in keeping Market House in working order, supporting charitable tenant organisations with low cost facilities and support.

PROJECTS

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.

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 respitality options are available to offer unpaid cares a short break.

19 Analysis of net assets between funds

	Unrestricted income funds 2026 £	Restricted income funds 2026 £	Restricted capital funds 2026 £	Total 2026 £
At 31 March 2026:				
Tangible assets	1,301	-	374,136	375,437
Current assets/(liabilities)	269,733	301,547	43,071	614,351
Provisions	-	(1,069)	-	(1,069)
	271,034	300,478	417,207	988,719

19 Analysis of net assets between funds (Continued)

	Unrestricted income funds 2025 £	Restricted income funds 2025 £	Restricted capital funds 2025 £	Total 2025 £
At 31 March 2025:				
Tangible assets	2,759	-	461,055	463,814
Current assets/(liabilities)	193,037	329,474	49,226	571,737
Provisions	-	(1,567)	-	(1,567)
	195,796	327,907	510,281	1,033,984

20 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 £22,425 (2025 - £23,266).

Contributions totaling £nil (2025 - £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 521 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.

20 Retirement benefit schemes **(Continued)**

Valuation

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. 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 2025 to 31 March 2028:	£2,100,000 per annum	(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 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 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)

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 2026 (£s)	31 March 2025 (£s)	31 March 2024 (£s)
Present value of provision	1,069	1,567	1,463

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2026 (£s)	Period Ending 31 March 2025 (£s)
Provision at start of period	1,567	1,463
Unwinding of the discount factor (interest expense)	62	39
Deficit contribution paid	(559)	(1,491)
Remeasurements - impact of any change in assumptions	(1)	10
Remeasurements - amendments to the contribution schedule	-	1,546
Provision at end of period	1,069	1,567

20 Retirement benefit schemes (Continued)

Key assumptions

	2026 %	2025 %
Discount rate	4.92	4.84

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 2026 (£s)	Period Ending 31 March 2025 (£s)
Interest expense	62	39
Remeasurements – impact of any change in assumptions	(1)	10
Remeasurements - amendments to the contribution schedule	-	1,546

21 Events after the reporting date

In April 2026 The Shetland Befriending Scheme transitioned to become an independent charity, separating from Voluntary Action Shetland.

Also in April 2026 the carers advice, support, and information service transferred from the VAS Shetland Carers project to Shetland Care Attendant Scheme (SCAS).

22 Cash generated from/(absorbed by) operations

	2026 £	2025 £
Deficit for the year	(45,265)	(185,612)
Adjustments for:		
Investment income recognised in statement of financial activities	(10,718)	-
(Gain)/loss on disposal of tangible fixed assets	-	2,019
Depreciation and impairment of tangible fixed assets	93,644	92,407
Movements in working capital:		
Decrease in debtors	3,131	76,936
Increase/(decrease) in creditors	14,746	(7,251)
Increase/(decrease) in provisions	(498)	104
(Decrease)/increase in deferred income	(6,976)	2,147
Cash generated from/(absorbed by) operations	48,064	(19,250)