Charity Registration No. SC001775 (Scotland)

Company Registration No. SC161692 (Scotland)

SOUND COMMUNITY ASSOCIATION

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2025

THE A9 PARTNERSHIP LIMITED
Chartered Accountants
47 Commercial Road
Lerwick
Shetland
ZE1 0NJ

SOUND COMMUNITY ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs L Arcus	
	Ms R A Bremner	
	Mr J M Sinclair	
	Mr K Manson	
	Mr G S Leask	
	Ms K P Murray	
	Mrs L MacMillan	
	Mr R Bremner	
	Mr M D G MacMillan	
	Ms F A Martin	
	Mrs I Moar	
	Ms P E Nicolson	
	Mr R Card	(Appointed 28 November 2024)
	Ms L Setrice	(Appointed 28 November 2024)
Secretary	Mrs I Moar	
Company number	SC161692	
Registered office	Sound Public Hall Sound Lerwick Shetland Isles ZE1 0SS	
Independent examiner	The A9 Partnership Limited 47 Commercial Road Lerwick Shetland Isles ZE1 0NJ	

SOUND COMMUNITY ASSOCIATION

CONTENTS

SOUND COMMUNITY ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2025

The trustees present their annual report and financial statements for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

The charity's objectives is managing the hall to conform with the local statutory authorities and voluntary organisations in the area. Every effort is made to advance education and provide facilities in the interests of social welfare recreation and other leisure time occupations, with the clear objective of improving the quality of life for the people living in the area.

The directors of the charity represent a wide section of hall users, with regular feedback from many organisations and groups who use the hall and its facilities.

Achievements and performance

The hall continues to offer a high standard of service and facilities to the community and the charity can look forward to the future with confidence.

Thanks must be given to all the volunteers who give their time and commitment to running and maintaining the hall and providing a valuable service to the community.

Financial review

The Association had a surplus of £307 (2024: deficit £(10,835)). Unrestricted reserves totalled £57,367 (2024: £58,524).

The Trustees maintain reserves at a level which is adequate to meet the cashflow requirements of the association. The overall reserves level of £433,860 (2024: £433,553) is considered to be an acceptable level.

Risk factors

The trustees has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Association is governed by its Memorandum and Articles of Association and was incorporated on 17th November 1995. All directors of the company are also trustees of the charity, and there are no other trustees. The policy and general management of the affairs of the Association is directed by a Board of Directors. All management decisions are made at regularly convened meetings.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs L Arcus	
Ms R A Bremner	
Ms L Nicolson	(Resigned 30 October 2024)
Mr J M Sinclair	
Ms M Thomason	(Resigned 30 October 2024)
Mrs S Ruddock	(Resigned 30 October 2024)
Mr K Manson	
Mrs L Campbell	(Resigned 30 October 2024)
Mr A Erskine	(Resigned 30 October 2024)
Mr G S Leask	
Ms K P Murray	
Miss D Kane	(Resigned 30 October 2024)
Miss C I Fordyce	(Resigned 30 October 2024)
Mr D C Bradley	(Resigned 30 October 2024)
Mrs L MacMillan	
Mr R Bremner	
Mr M D G MacMillan	
Ms F A Martin	
Mrs I Moar	
Ms P E Nicolson	
Mr R Card	(Appointed 28 November 2024)
Ms L Setrice	(Appointed 28 November 2024)

All full members and representatives of constituent bodies and sections shall be eligible to stand for appointment to the board. One third of the board members, step down and can seek re-election at the next annual general meeting.

New trustees are provided within information necessary for the responsibility of holding office from the existing or past board members and from information available from OSCR.

All of the trustees are members of the charity and guarantee to contribute £1 in the event of a winding up.

The trustees' report was approved by the Board of Trustees.

Louise Arcus

Mrs L Arcus

Director

Dated: 28/11/25

SOUND COMMUNITY ASSOCIATION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SOUND COMMUNITY ASSOCIATION

I report on the financial statements of the charity for the year ended 31 August 2025, which are set out on pages 4 to 14.

Responsibilities and basis of report
The charity trustees (who are also the directors of Sound Community Association for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.The charity trustees consider that the audit requirement of Regulation 10(1)(a)-(c) of the Charities Accounts (Scotland) Regulations 2006 does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and to state whether particular matters have come to my attention.

Independent examiner's statement
In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
    - to keep accounting records in accordance with Section 44(1)(a) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006, and
    - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

The A9 Partnership Limited

The A9 Partnership Limited

47 Commercial Road
Lerwick
Shetland Isles
ZE1 0NJ

Date: 2/12/2025

SOUND COMMUNITY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	3	2,238	10,535	12,773	47	-	47
Charitable activities	4	49,468	-	49,468	54,273	-	54,273
Investments	5	4	-	4	19	-	19
Total income		51,710	10,535	62,245	54,339	-	54,339
Expenditure on:							
Raising funds	6	64	-	64	57	-	57
Charitable activities	7	52,803	9,071	61,874	64,825	292	65,117
Total expenditure		52,867	9,071	61,938	64,882	292	65,174
Net income/(expenditure) and movement in funds		(1,157)	1,464	307	(10,543)	(292)	(10,835)
Reconciliation of funds:							
Fund balances at 1 September 2024		58,524	375,029	433,553	69,067	375,321	444,388
Fund balances at 31 August 2025		57,367	376,493	433,860	58,524	375,029	433,553

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

SOUND COMMUNITY ASSOCIATION

BALANCE SHEET

AS AT 31 AUGUST 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	**12**		422,951		423,342
Current assets					
Stocks	**13**	6,060		5,874	
Debtors	**14**	1,376		3,238	
Cash at bank and in hand		15,296		11,243	
		22,732		20,355	
Creditors: amounts falling due within one year	**15**	(11,823)		(10,144)	
Net current assets			10,909		10,211
Total assets less current liabilities			433,860		433,553
Income funds					
General restricted funds		20,922		19,458	
Permanent grant fund		355,571		355,571	
	16		376,493		375,029
General unrestricted funds		57,367		58,524	
Unrestricted funds			57,367		58,524
			433,860		433,553

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2025.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on ...28/11/2025.

Louise Arcus
Mrs L Arcus
Trustee
Company Registration No. SC161692

1 Accounting policies

Charity information

Sound Community Association is a private company limited by guarantee incorporated in Scotland. Guarantees have been given by the trustees totalling £1 each. The registered office is Sound Public Hall, Sound, Lerwick, Shetland Isles, ZE1 0SS.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's 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) (effective 1 January 2019)".

The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements as new members are actively being sought to help share the work to prevent the Hall from closure.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Permanent grant funds are grant funding that has been received in respect of specific capital expenditure.

1.4 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. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	not depreciated - see notes below
Plant and equipment	5 years straight line

Depreciation has ceased on the public hall as the property is considered to have a useful life as a building of greater than 50 years and so any depreciation charge is considered immaterial. The trustees consider that this departure from United Kingdom Generally Accepted Accounting Practice is necessary in order to provide a true and fair view.

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.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	2,238	-	2,238	47	-	47
Grants	-	10,535	10,535	-	-	-
	2,238	10,535	12,773	47	-	47

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Bar takings	31,755	38,571
Lets	13,753	14,067
Dances, raffles and miscellaneous	3,960	1,635
	49,468	54,273

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	4	19

6 Raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Dances, raffles etc	64	57
	64	57

7 Expenditure on charitable activities

	2025	2024
	£	£
Direct costs		
Staff costs	7,234	9,415
Depreciation and impairment	391	391
Bar purchases, adjusted for stock movements	12,798	16,441
Bank charges	742	726
Water rates	1,697	2,612
Electricity	16,665	19,488
Insurance	2,771	3,014
Repairs and renewals	13,262	3,581
Telephone	1,075	963
Stationery, postage and adverts	348	190
Licences	841	1,492
Donations	500	18
Entertaining	-	227
Senior citizens	12	292
Bad debts written off	395	543
	58,731	59,393
Share of support and governance costs (see note 8)		
Governance	3,143	5,724
	61,874	65,117
Analysis by fund		
Unrestricted funds	52,803	64,825
Restricted funds	9,071	292
	61,874	65,117

8 Support costs allocated to activities

	2025	2024
	£	£
Governance	3,143	5,724

8 Support costs allocated to activities **(Continued)**

Governance costs comprise:	**2025** £	**2024** £
Independent examination fee	300	300
Legal and professional	34	13
Accountancy	2,159	2,161
Honoraria	650	3,250
	3,143	5,724

Honorariums are paid for holding the offices of: Secretary, Treasurer, Caretaker, Bar manager, Assistant bar manager and Bookings clerk. These are paid through the payroll system annually.

9 Independent examiner's remuneration

Fees payable to the charity's independent examiner and associates:	**2025** £	**2024** £
For independent examination services		
Independent examination of the financial statements of the charity	300	300
For other services		
All other non-audit services	2,182	2,150

10 Trustees

Remuneration is paid to trustees as confirmed in the Memorandum and Articles of Association. Trustees are not remunerated for their work as trustees but for the work they perform in the course of their employment with Sound Community Association.

The following trustees were remunerated in the year:

- LG Arcus - wages and honoraria of £849 (2024: £1,065)
- D Sinclair - wages and honoraria of £0 (2024: £1,009)
- JM Sinclair - wages and honoraria of £2,110 (2024: £2,075)
- L MacMillan - wages and honoraria of £1,506 (2024: £1,356)
- SD Ruddock - honoraria of £650 (2024 £766)
- RA Bremner - wages of £780 (2024: £853)
- GS Leask - wages of £454 (2024: £670)
- M Thomason - wages of £0 (2024: £26)
- K Murray - wages of £347 (2024: £603)
- R Bremner - wages of £61 (2024: £636)
- M MacMillan - wages £811 (2024: £0)
- L Setrice - wages of £226 (2024: £0)
- R Card - wages of £134 (2024: £0)

The above parties are considered to the Key Management Personnel of the charity.

Expenses are not paid to trustees.

11 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	5	8

Employment costs	2025 £	2024 £
Wages and salaries	7,234	9,415

There were no employees whose annual remuneration was more than £60,000.

12 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 September 2024	612,497	38,714	651,211
Disposals	-	(8,912)	(8,912)
At 31 August 2025	612,497	29,802	642,299
Depreciation and impairment			
At 1 September 2024	190,328	37,541	227,869
Depreciation charged in the year	-	391	391
Eliminated in respect of disposals	-	(8,912)	(8,912)
At 31 August 2025	190,328	29,020	219,348
Carrying amount			
At 31 August 2025	422,169	782	422,951
At 31 August 2024	422,169	1,173	423,342

13 Stocks

	2025 £	2024 £
Raw materials and consumables	6,060	5,874

SOUND COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

14 Debtors

Amounts falling due within one year:	**2025** £	**2024** £
Trade debtors	831	1,944
Prepayments and accrued income	545	1,294
	1,376	3,238

15 Creditors: amounts falling due within one year

	2025 £	**2024** £
Other taxation and social security	782	1,519
Trade creditors	7,086	3,116
Other creditors	802	524
Accruals and deferred income	3,153	4,985
	11,823	10,144

16 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 September 2024 £	**Incoming resources** £	**Resources expended** £	**At 31 August 2025** £
	19,458	10,535	(9,071)	20,922
Revaluation reserve	355,571	-	-	355,571

Previous year:	**At 1 September 2023** £	**Incoming resources** £	**Resources expended** £	**At 31 August 2024** £
	19,475	-	(292)	19,183
General restricted funds	275	-	-	275
	19,750	-	(292)	19,458
Revaluation reserve	355,571	-	-	355,571

General Restricted funds: relate to funding from the Sound Hall Trust to be used for the O.A.Ps in the Sound area. It also included funding from the National Lottery and Coastal Communities for the purchase of a new fire door and cookers.

Permanent Grant Fund: relates to funding from various funding bodies for the purchase of fixed assets.

17 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 August 2025:			
Tangible assets	67,380	355,571	422,951
Current assets/(liabilities)	(10,013)	20,922	10,909
	57,367	376,493	433,860

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 August 2024:			
Tangible assets	67,771	355,571	423,342
Current assets/(liabilities)	(9,247)	19,458	10,211
	58,524	375,029	433,553

18 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).