Sandness Community Development

Trustees' Annual Report

1st April 2025 – 31st March 2026



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Charity contact information

Charity name	Sandness Community Development Ltd
Scottish Charity Number	SC053334
Company registration number	SC770032
Registered address	Brimtod Bousta Sandness Shetland
Postcode	ZE2 9PL
Telephone number	N/A
Email address	sandnesscd@gmail.com
Website	https://sandness.org.uk
Social media	Sandness Community Development Facebook page

Charity Trustees

Current Trustees (on date of approval of Trustees' Annual Report)

Brian Ashley	Chair
Sorley Johnston	Secretary
Amanda Mercer	Treasurer
Garry Jamieson	Vice Chair (shared)
Michael Peterson	Vice Chair (shared)
Alan Robertson	
Alan Rolfe	appointed 13th May 2025
Karen Williamson	
Raymond Garrick	

The above Trustees are responsible for the charity's governance, strategy and day-to-day administration.

Development Worker

Penny Armstrong

Independent examiner

Neil Ruthven

NGR Accountancy Ltd

Top Floor, The Garret

Esplanade

Lerwick

Shetland

ZE1 0LL

Objectives and activities

Charitable purposes

(a) The advancement of community development (including the advancement of rural regeneration) principally within the Community of Sandness, Shetland, alone, or in conjunction with others, to nurture a safe, strong, sustainable community for the benefit of all

(b) the advancement of environmental protection or improvement of the Community of Sandness

Summary of the main activities in relation to these objects

Sandness Community Development (SCD) works with, and on behalf of, the community to encourage and support participation in decision making, maintaining services, creating and delivery of projects that improve life in our remote rural community.

It aims to:

- strengthen the bonds that connect the community
- facilitate better access to food, services, advice and support
- have enough affordable houses
- enable people to work in Sandness
- safeguard its landscape, natural and cultural heritage
- move from fossil fuels to a reliable, renewable energy supply
- welcome tourists and visitors
- be well prepared to respond to emergencies and other disruptions.

Structure, governance and management

Type of governing document

Sandness Community Development Ltd is a company limited by guarantee, incorporated on 19th May 2023 with a revised Memorandum and Articles of Association agreed on 29th April 2024.

Sandness Community Development was registered as a charity on 8th May 2024

Trustee recruitment and appointment

The maximum number of Directors is 12. Of these up to 10 can be Member Directors and no more than 2 can be Co-opted Directors. In this year (2025-26) there are 9 Member Directors who represent the community on the Board.

Member Directors are nominated and elected by Ordinary Members of Sandness Community Development at its AGM. If vacancies exist, the Board can appoint any Ordinary Member as a Member Director in between Annual General Meetings (AGM). The Board can also co-opt any individual based on their specialist skills and/or experience which could be of assistance to the Board.

At least one third of the Directors will stand down from the Board each year, at which point they are eligible for re-election at the following AGM.

Membership of Sandness Community Development

Sandness Community Development has 41 Ordinary Members and 2 Associate Members.

Achievements and performance

With the organisational arrangements for Sandness Community Development in place, the focus for 2025-26 has been on the acquisition of Melby Pier on behalf of the community, and projects for the benefit of the community.

There are now nine Directors who make up the Board (see p4), supported by our Development Worker. Together we have worked hard to take our work forward on behalf of the community.

Our work is informed by a continuing process of listening to residents through formal consultation and informal listening. This has shaped the Sandness Community Development Plan (2023-2026), which will be refreshed in the coming year (see 'Future Plans' on p 15).

The grant from Highlands and Islands Enterprise for the Development Worker concluded at the end of March 2026 but a further year's support has been provided. Highland and Islands Enterprise's encouragement has been vital for Sandness Community Development to make progress in pursuit of the priorities set by the community, and our charitable purposes.

The Board is keen to pursue all of the community's priorities of Sandness Community Development (see p4) while also aware of the limited available capacity and resources. We are pleased to report progress in the following areas, projects and activities in 2025-26:

1. *The acquisition and development of Melby Pier on behalf of the community.*

   The community's concern over the potential loss of the pier is a major driver for Sandness Community Development. By the end of March 2025, we had received the feasibility study (funded by the Scottish Land Fund) which suggested financial viability and provided informed proposals for how the Pier might be used. During 2025-26 the following progress has been made:

   - Prepared a detailed Business Plan for Melby Pier
   - Secured agreement to sell from the three landowners of the site
   - Secured funding to cover the cost of acquiring Melby Pier and associated survey works from the Scottish Land Fund

- Instructed solicitors to negotiate the purchase of the three separate ownership 'titles.' Those for Shetland Islands Council and North House were completed by the end of March 2026. The third (Vaila Estate) was completed after the end of this reporting period.
- Prepared to apply for funding to cover the costs of the detailed design and planning application process for the development of the site in line with the Melby Pier Business Plan.
- Began managing the Melby Pier site which includes negotiating the most cost-effective approach to utilities, insurance and business rates.
- Held an event to celebrate the acquisition of Melby Pier, attended by over 30 residents.

This is a long-term project to retain and preserve an historical and cultural asset for the community. It is giving residents a say in the future of their community and confidence that they can bring about positive change.

2. *Sandness Community Development has provided a wider range of activities:*

2.1 Film Club

The Sandness Film Club's second year continued to attract over 50 adults, though fewer children attended this year. The activity is appreciated as regular opportunity to socialise, complementing the activities arranged by the Hall Committee, including monthly bar nights.

2.2 Sandness Inter-Community Bus project.

This continues to provide transport for children attending a range of after-school sporting activities, including swimming and basketball in Aith, and for social events such as the Christmas Party at the secondary school. Funding has continued from the Early Adopters Community Fund.

This allows Sandness bairns to enjoy social and leisure activities in places and at times not supported by public transport. They appreciate not being dependent on parents for transport, and the parents are better equipped to juggle child-care, work and other pressures. The project report can be read here.

2.3 'Friday Fun' afterschool activities

Building on the success of the bus project, Sandness Community Development obtained funding from the Early Adopters Community Fund to pilot fortnightly afterschool activities at Sandness School. Nursery and primary age local children enjoyed a range of physical, craft and cooking activities from professionals and older members of the community. The project included a paid project worker, and funding for physical activity instructors, snacks and materials.

An evaluation report showed that a total of seven families with thirteen children participated (out of a total of seventeen in the community). They found this an enjoyable experience offering a wide range of positive activities and inter-generational relationships.

3. RSPB workshops

A series of workshops were run in partnership with the RSPB as part of their Species on the Edge programme. Workshops covered bee identification, waders and their habitats, lichens, hawkweeds, plant dyes, grasses and basket making. As part of the longer legacy for the project an overhaul of the Hall garden was planned (work to take place summer 2026) to create a rich biodiverse space for encouraging wildlife.

4. Islands Centre for Net Zero: Climate Resource Centre

We accessed Community Energy Scotland funding to purchase equipment and act as the Climate Resource Centre for the Shetland westside. Funding was awarded in January 2026. The equipment will be available for Westside residents to access the Islands Centre for Net Zero Community Action Network resources to help reduce fossil fuel use, household bills and personal carbon footprints from December 2026.

5. *To improve communication with the community we developed a website for the benefit of Sandness to be hosted by Sandness Community Development*

Although the Sandness Community Development website was designed and populated during the year, practical issues delayed it becoming fully available until later in 2026. The website provides information on the community hall, current Sandness Community Development projects, information for tourists, access to minutes of meetings and project reports. A community resource list is also being created.

6. *Giving a voice to the community*

Sandness Community Development aims to works with a range of organisations to enable the views and priorities of residents to be expressed. Examples in 2025-26 include:

6.1 In May 2025 an '*Active Travel Audit'* was carried out to identify the best ways to enable people to get about safely in Sandness without always resorting to their car. The issues that emerged included:

- introducing a reduced speed limit in Sandness
- dropped kerbs near the school and Shendaleburn
- improved road markings in some places (e.g. outside the cemetery)
- no desire for street lighting

6.2 Sandness Community Development agreed to prepare a *Local Place Plan for Sandness* (due to be completed by November 2026). This will ensure the community's wishes are taken into account in future planning decisions.

6.3 Sandness Community Development agreed to grant £800 to the Shetland Seafarers Research Association using legacy funds from the Sandness History Group. This will contribute to the overall development of a publicly accessible project recording Shetland merchant mariners and their travels worldwide. It will include a comprehensive section on Sandness men making their living in commercial shipping and whaling.

7 *Supporting local groups to deliver their services to the community*

Sandness Community Development offers support to local groups including skills, knowledge and extra hands at events, all to benefit the wider community. Our work has increased activity in the community and increased confidence in providing services.

We continue to support the Sandness Primary School Parent Council in seeking to safeguard the School's future against any potential threat of closure.

8 *Fundraising*

Sandness Community Development does not have a source of regular significant income. To cover our core costs, and to enable us to respond to both opportunities and unforeseen events, we are dependent on raising funds or the offer of practical support. We really appreciate all these contributions, of whatever size. Examples include:

8.1 We have obtained grants and donations from:

- Aith Charity Shop
- Early Adopters Community Fund
- Highlands and Islands Enterprise
- Sandness and Walls Community Council
- Shetland Community Benefit Fund
- Shetland Islands Council

8.2 We have raised our own income from:

- Sandness Lottery
- Melby Pier Donation Boxes
- Film Club ticket sales
- Ice-cream teas at the Hall (jointly with the Hall Committee)
- Sale of Sandness History Books, fresh fish etc

8.3 We continue to explore other ideas for sources of income:

- Melby Pier: its upgrade and refurbishment will generate income from users and other site-based activities

- Alternative income generating projects: we accessed the Community Enterprise Accelerate programme to review options for community-based income generation. We received a useful report offering ideas for sources of income. All suggestions require a substantial amount of financial and resource investment before delivering returns.

8.4 Fundraising sub-group

The Board's fundraising sub-group coordinates raising core funding for our work and supports the provision of projects for the local community.

Financial review

The Statement of Financial Activities below is taken from the 'Annual Report and Unaudited Financial Statements as submitted to the Office of the Charity Regulator (OSCR) and will be used in any submissions to Companies House.

If anyone wish to see the complete statements (including detailed breakdown), please contact Sandness Community Development at sandnesscd@gmail.com.

1. Statement of Financial Activities (including income and expenditure)

	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total funds £	Prior year funds £
Income					
Income from:					
Donations and legacies	1,599	-	-	1,599	3,838
Charitable activities	-	27,783	10,599	38,382	44,245
Other trading activities	2,656	-	-	2,656	2,267
Total income	4,255	27,783	10,599	42,637	50,350
Expenditure					
Expenditure on:					
Charitable activities	3,196	25,419	7,837	36,452	45,429
Total Expenditure	3,196	25,419	7,837	36,452	45,429
Net income/(expenditure) before transfers for the reporting period	1,059	2,364	2,762	6,185	4,921
Transfers between funds	-	-	-	-	-
Net movement in funds	1,059	2,364	2,762	6,185	4,921
Reconciliation of funds:					
Total funds brought forward	(979)	-	5,900	4,921	-
Total funds carried forward	80	2,364	8,662	11,106	4,921

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

The statement of financial activites also complies with the requirements for an income and expenditure account under the Companies Act 2006.

2. 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 2005 Act and Regulation 4 of the 2006 Accounts Regulations and*
   - *To prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations, have not been met*
2. *To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.* **Neil Ruthven (NGR Accountancy)**

3. Detailed notes of income and expenditure 2025/26

3.1 Income: grants received by Sandness Community Development in 2025/26

Fund names		Fund balances 01 April 2025	Income	Expenditure	Transfers	Fund balances at 31 March 2026
		£	£	£	£	£
Restricted Income:						
HIE	Development worker grant	-	23,203	(23,203)	-	-
Scottish Childrens Lottery	After School Activities		1,000	(454)	-	546
Shetland Islands Council	After School Activities	-	3,330	(1,512)	-	1,818
Sandness & Walls Community Council	Film Club set up	-	250	(250)	-	-
		-	27,783	(25,419)	-	2,364
Restricted Capital:						
HIE	Office Equipment Grant	-	377	(377)	-	-
Shetland Community Benefit Fund	Melby Pier project	5,900	10,222	(7,460)	-	8,662
		5,900	10,599	(7,837)	-	8,662
Unrestricted Fund		(979)	-	-	-	(979)
Total Funds as per balance sheet		4,921	38,382	(33,256)	-	10,047

3.2 Expenditure

	Total funds 2026 £	Total funds 2025 £
Expenditure on charitable activities:		
Wages and salaries	24,639	15,572
Sandness Book Purchases	-	195
Fish Purchases	360	517
Film club purchases	923	993
Bus hire	-	11,082
Rent	300	-
Insurance and rates	1,525	322
Cleaning	199	282
Office costs	389	26
After School Activities	1,968	-
Subscriptions	466	-
Fundraising costs	605	-
Donations	800	-
Sundry expenses	363	636
Total expenditure	32,537	29,625
Share of support costs	2,490	15,000
Share of governance costs	1,425	804
	36,452	15,804
Analysis by fund		
Unrestricted funds	3,196	9,584
Restricted funds	33,256	35,845
	36,452	45,429

3.3 Assets

	Unrestricted funds 2026 £	Restricted income funds 2026 £	Restricted capital funds 2026 £	Total funds 2026 £	Total funds 2025 £
Tangible fixed assets	-	-	3,700	3,700	-
Intangible fixed assets	-	-	3,172	3,172	3,172
Current assets/(liabilities)	1,506	-	2,728	4,234	1,749
Long term liabilities	-	-	-	-	-
Net assets at 31 March	1,506	-	5,900	7,406	4,921

Brief statement of the charity's policy on reserves

At this early stage of its development Sandness Community Development is not yet in a position to build up reserves. As part of its continuing review of policies, the Financial Controls Policy was reviewed in November 2025 and now includes a policy on reserves. This includes a commitment to *"maintain sufficient funds in its account to cover regular and known commitments including payments to contractors."*

Details of any deficit

None

Donated facilities and services (if any):

None

Future plans

In 2026-2027 Sandness Community Development will continue to deliver the priorities set out in the Community Development Plan. We will continue to support the community with services and advice, and to deliver the projects and activities for which we have funding.

With the acquisition of Melby Pier completed we will aim to secure funding for the design and planning phase of the project, with the intention of completing that by March 2027. Work will then be required to source funding for the development of

the site itself. This will continue to absorb much of Sandness Community Development's capacity and focus.

We will engage with the community in preparing a Local Place Plan by November 2026. This will be used to refine our Community Development Plan.

Funding for the Development Worker post from Highlands and Islands Enterprise comes to an end in March 2027. To continue our work at the same level we will need to be pro-active in seeking funding to maintain our ability to take forward our projects and plans. If funding is limited, for this and for core funds, it may require difficult decisions about what we can and cannot do. The management and development of the Melby pier site will remain the priority.

We will respond to ideas for projects and activities that emerge from the community and look for opportunities presented by strategic and funding partners within the bounds of our capabilities.

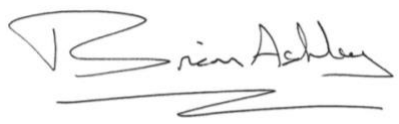
Additional information

Additional information about Sandness Community Development can be obtained on request:

- Sandness Community Development Plan 2023 – 2026 (2024)
- Melby Pier Business Plan (2025)
- Inter-Community Bus Project Report (April 2025)
- Evaluation report for Friday Fun Afterschool Activities Project (March 2026)
- Active People Survey (May 2025)

Declaration

Signed on behalf of the charity trustees:



Print name:	Brian Ashley
Designation:	Chair of the Board
Date:	1st September 2026

Sandness Community Development Ltd

ANNUAL REPORT & UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

SCOTTISH CHARITY NUMBER: SC053334
COMPANY REGISTRATION NUMBER: SC770032

SANDNESS COMMUNITY DEVELOPMENT LTD
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2026

The Trustees present their annual report and financial statements for the year ended 31 March 2026

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 charitable company's governing document, 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).

OBJECTIVES & ACTIVITIES

Charitable purposes

(a) The advancement of community development (including the advancement of rural regeneration) principally within the Community of Sandness, Shetland, alone, or in conjunction with others, to nurture a safe, strong, sustainable community for the benefit of all

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ACHIEVEMENTS & PERFORMANCE

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The Board's fundraising sub-group coordinates raising core funding for our work and supports the provision of projects for the local community.

Future plans
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We will respond to ideas for projects and activities that emerge from the community and look for opportunities presented by strategic and funding partners within the bounds of our capabilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

SCOTTISH CHARITY NUMBER : SC053334
COMPANY REGISTRATION NUMBER : SC770032

The Charity was incorporated on 19 May 2023 as a company whose members liability is limited by guarantee, the company having no share capital.

The Charity was established under a Memorandum and Articles of Asssociation which established the objects and powers and the Charity is governed under its Articles of Assocation.

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:

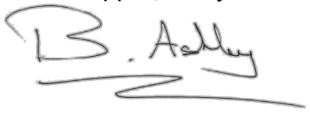
B Ashley
R Garrick
G Jamieson
S Johnston
A Mercer
M Peterson
A Robertson
K Williamson
A Rolfe (Appointed 13th May 2025)

As set out in the Articles of Association, directors are elected at each annual general meeting.

The registered office is:
Brimtod
Bousta
Sandness
Shetland
ZE2 9PL

The Trustees Report was approved by the Trustees on 17 September 2026

Brian Ashley
DATE



23 September 2026

Independent Examiner's Report to the Trustees of Sandness Community Development Ltd

I report on the accounts of the charity for the year ended 31 March 2026 which are set out on pages 6 to 18.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit

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 2005 Act and Regulation 4 of the 2006 Accounts Regulations
   to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations
   have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Neil Ruthven FCCA
On behalf of NGR Accountancy
Top Floor, The Garret
Esplanade
Lerwick
Shetland
ZE1 0LL

Date:

SANDNESS COMMUNITY DEVELOPMENT LTD
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total funds £	Prior year funds £
Income						
Income from:						
Donations and legacies	2	1,599	-	-	1,599	3,838
Charitable activities	2	-	27,783	10,599	38,382	44,245
Other trading activities	2	2,656	-	-	2,656	2,267
Total income		4,255	27,783	10,599	42,637	50,350
Expenditure						
Expenditure on:						
Charitable activities	4	3,196	25,419	7,837	36,452	45,429
Total Expenditure		3,196	25,419	7,837	36,452	45,429
Net income/(expenditure) before transfers for the reporting period		1,059	2,364	2,762	6,185	4,921
Transfers between funds		-	-	-	-	-
Net movement in funds		1,059	2,364	2,762	6,185	4,921
Reconciliation of funds:						
Total funds brought forward		(979)	-	5,900	4,921	-
Total funds carried forward		80	2,364	8,662	11,106	4,921

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

The statement of financial activites also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SANDNESS COMMUNITY DEVELOPMENT LTD
BALANCE SHEET
AS AT 31 MARCH 2026

	Notes	2026 £	2025 £
Fixed assets			
Tangible assets	8	3,700	-
Intangible assets	9	3,172	3,172
Total fixed assets		6,872	3,172
Current assets			
Debtors	10	-	-
Cash at bank and in hand		6,690	13,671
Total current assets		6,690	13,671
Creditors: amounts falling due within one year	11	2,456	11,922
Net current assets/(liabilities)		4,234	1,749
Total assets less current liabilities		11,106	4,921
Creditors: amounts falling due after one year	11	-	-
Total net assets		11,106	4,921
Restricted capital funds	12	8,662	5,900
Restricted income funds	12	2,364	-
Unrestricted funds	12	80	- 979
Total funds		11,106	4,921

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

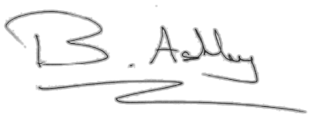
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The financial statements were approved by the Trustees on 17 September 2026

Brian Ashley
Trustee
Date



23 September 2026

1 Accounting Policies

Charity Information
Sandness Community Development Ltd is a private company limited by guarantee, incorporated in Scotland. The registered office is Brimtod, Bousta, Sandness, Shetland ZE2 9PL.

1.1 Basis of accounting
The financial statements have been prepared in accordance with the charitable company's governing document, 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 FRS102.

The charity has taken advantage of the provisions in the SORP 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 forseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reserves
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives.

Restricted funds are subject to specific conditions by funders 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.

1.4 Recognition of income
These are included in the Statement of Financial Activities (SoFA) when:
- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1 Accounting Policies (continued)

1.5 Expenditure

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

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 attirbutable 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
Plant & equipment - 25% straight line
Equipment, Fixtures & Fittings - 25% straight line

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.

1.8 Debtors

Debtors are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

1.9 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts

1.10 Financial instruments

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

Note 2 Income

	Analysis of income	Unrestricted funds £	Restricted income funds £	Restricted capital funds £	Total funds 2026 £	2025 £
Donations and legacies:	Donations and gifts	1,599	-	-	1,599	3,838
	Total	1,599	-	-	1,599	3,838
Charitable Activities:						
	Grants received	-	27,783	10,599	38,382	44,245
Other trading activities:	Sales	2,656	-	-	2,656	2,267
TOTAL INCOME		4,255	27,783	10,599	42,637	50,350

Note 3 Analysis of receipts of government grants

		2026 £	2025 £
HIE	Development worker grant	23,203	15,572
Shetland Islands Council	Bus project	-	11,000
Sandness & Walls Community Council	Film Club set up	250	300
HIE	Photocopying grant	-	101
Shetland Islands Council	Website grant	-	3,172
Scottish Land Fund	Melby Pier project	10,222	11,600
HIE	Office Equipment	377	
Shetland Islands Council	After School Activities	3,330	
	Total	37,382	41,745

Note 4 Expenditure

	Total funds 2026 £	Total funds 2025 £
Expenditure on charitable activities:		
Wages and salaries	24,639	15,572
Sandness Book Purchases	-	195
Fish Purchases	360	517
Film club purchases	923	993
Bus hire	-	11,082
Rent	300	-
Insurance and rates	1,525	322
Cleaning	199	282
Office costs	389	26
After School Activities	1,968	-
Subscriptions	466	-
Fundraising costs	605	-
Donations	800	-
Sundry expenses	363	636
Total expenditure	32,537	29,625
Share of support costs (see Note 5)	2,490	15,000
Share of governance costs (see Note 5)	1,425	804
	36,452	15,804
Analysis by fund		
Unrestricted funds	3,196	9,584
Restricted funds	33,256	35,845
	36,452	45,429

Note 5 Support Costs

	Support Costs £	Governance costs £	2026 £	2025 £
Legal and professional costs	2,490	-	2,490	15,000
Accountancy services	-	1,425	1,425	804
	2,490	1,425	3,915	2,804

Note 6 Paid employees

Staff Costs

	2026 £	2025 £
Salaries and wages	24,629	15,572
Pension costs	-	-
Other employee benefits	-	-
Total staff costs	24,629	38,314

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

The average monthly number of employees during the year	2026 Number	2025 Number
	1	1

No directors' emoluments or expenses were paid in year. (2024 - £nil)

Note 7 Taxation

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

Note 8 Tangible fixed assets

	Land & Buildings £	Total £
Cost		
At the beginning of the year	-	-
Additions	3,700	3,700
Revaluations	-	-
Disposals	-	-
Transfers	-	-
At end of the year	3,700	3,700
Depreciation and impairments		
At beginning of the year	-	-
Disposals	-	-
Depreciation	-	-
Impairment	-	-
Transfers*	-	-
At end of the year	-	-
Net book value		
Net book value at 01 April 2025	-	-
Net book value at 31 March 2026	3,700	3,700

Note 9 Intangible fixed assets

	Website £	Total £
Cost		
At the beginning of the year	3,172	3,172
Additions	-	-
Revaluations	-	-
Disposals	-	-
Transfers	-	-
At end of the year	3,172	3,172
Depreciation and impairments		
At beginning of the year	-	-
Disposals	-	-
Depreciation	-	-
Impairment	-	-
Transfers*	-	-
At end of the year	-	-
Net book value		
Net book value at 01 April 2025	3,172	3,172
Net book value at 31 March 2026	3,172	3,172

Note 10 Debtors

Amounts falling due within one year:

	2026 £	2025 £
Trade debtors	-	-
Prepayments and accrued income	-	-
Other debtors	-	-
Total	-	-

Note 11 Creditors

Amounts fallling due within one year:

	2026 £	2025 £
Accruals	1,140	10,104
Other creditors	1,316	1,818
Total	2,456	11,922

Amounts falling due after more than one year:

	2026 £	2025 £
Other loans	-	-
Total	-	-

Note 12 Charity funds

12.1 Details of material funds held and movements during the CURRENT reporting period

Fund names		Fund balances at 01 April 2025	Income	Expenditure	Transfers	Fund balances at 31 March 2026
		£	£	£	£	£
Restricted Income:						
HIE	Development worker grant	-	23,203	(23,203)	-	-
Scottish Childrens Lottery	After School Activities		1,000	(454)	-	546
Shetland Islands Council	After School Activities	-	3,330	(1,512)	-	1,818
Sandness & Walls Community Council	Film Club set up	-	250	(250)	-	-
		-	27,783	(25,419)	-	2,364
Restricted Capital:						
HIE	Office Equipment Grant	-	377	(377)	-	-
Shetland Community Benefit Fund	Melby Pier project	5,900	10,222	(7,460)	-	8,662
		5,900	10,599	(7,837)	-	8,662
Unrestricted Fund		(979)	-	-	-	(979)
Total Funds as per balance sheet		4,921	38,382	(33,256)	-	10,047

Note 13 Analysis of net assets between funds

	Unrestricted funds 2026 £	Restricted income funds 2026 £	Restricted capital funds 2026 £	Total funds 2026 £	Total funds 2025 £
Tangible fixed assets	-	-	3,700	3,700	-
Intangible fixed assets	-	-	3,172	3,172	3,172
Current assets/(liabilities)	1,506	-	2,728	4,234	1,749
Long term liabilities	-	-	-	-	-
Net assets at 31 March	1,506	-	5,900	7,406	4,921

Note 14 Related Party Transactions

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