

Shetland Folk Festival Society

**ANNUAL REPORT OF THE TRUSTEES AND
UNAUDITED RECEIPTS & PAYMENTS ACCOUNTS**

for the year ended

30 September 2025

Shetland Folk Festival Society

ANNUAL REPORT OF THE TRUSTEES

for the year ended 30 September 2025

The Trustees have pleasure in presenting their report together with the financial statements and the independent examiner's report for the year ended 30 September 2025

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NAME

Shetland Folk Festival Society

TRUSTEES AND EXECUTIVE COMMITTEE

C Fordyce	Chairman, Merchandise, Memberships and Shop
D Nicolson	Treasurer and Vice Chairman
J Leask	Secretary and Stewarding
D Wood	Information Technology and Local Artists
C Murchison	Transport and Venues
L Johnson	Raffles, Memberships and Shop
M McLeman	Visiting Artists, Festival Programmer
R Mackenzie	PA and Lighting
L Johnson	Publicity and Sponsorship
L Peterson	Accommodation & Grants

PRINCIPAL ADDRESS

5 Burns Lane
Lerwick
Shetland
ZE1 0EJ

INDEPENDENT EXAMINER

Irene Hambleton BAcc CA
A.J.B. Scholes Ltd
Chartered Accountants
St Olaf's Hall
Church Road
Lerwick
Shetland
ZE1 0FD

BANKERS

Bank of Scotland
117 Commercial Street
Lerwick
Shetland
ZE1 0DN

SCOTTISH CHARITY NUMBER

SCO13445

Shetland Folk Festival Society

ANNUAL REPORT OF THE TRUSTEES

for the year ended 30 September 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

Shetland Folk Festival Society was declared as a Charitable Trust under the Law of Scotland by the original Trustees between the dates of 27 May 1987 and 31 August 1987 inclusive.

Charitable Status was granted by HM Revenue and Customs on 31 August 1987.

APPOINTMENT OF TRUSTEES

Trustees are elected on an annual basis by a majority vote of those present and entitled to vote at the Annual General Meeting of the members of the society.

Duly elected Trustees also form the Executive Committee of the Society and are empowered with the Society's administration and management.

MANAGEMENT

The Committee of the Shetland Folk Festival meet regularly to administer the activities of the Society, with different responsibilities delegated to individual members. Where possible, new Trustees receive individual induction from the outgoing committee member with support from the Chairman and other Trustees as appropriate. All committee members are encouraged to undertake training as appropriate to their role and to keep up to date with relevant policy developments. There is a dedicated committee member responsible for ensuring that the Society's policies are reviewed as appropriate, and our volunteers are kept up to date with any changes. The core Committee of ten members, are now ably supported by some other key volunteers who support the organisation all year round as well as the army of volunteers who support the delivery of the 4 day event.

RISK MANAGEMENT

The Members of the Committee have assessed the major risks to which the charity is exposed and in particular the operations and finances of the Festival. Venues and Festivals the length and breadth of the country continue to face unprecedented social and economic challenges with rising outgoings coupled with a decreased spending capacity in audiences due to rising costs of living. As the costs of staging our annual Festival escalate a significant risk is that of the availability of core revenue funding which supports the outreach elements of the Festival. We are satisfied that the Festival can meet the increased costs through alternative sources of income and that the systems are in place to mitigate our exposure to all other risks.

OBJECTIVES AND ACTIVITIES

The primary purpose of the Society is to organise an annual Shetland Folk Festival, celebrating folk music and culture, with a particular focus on Shetland's traditional heritage and influences. Incidental purposes and objectives are set out in the Society's Trust Deed.

ACHIEVEMENTS AND PERFORMANCE

The 43rd Shetland Folk Festival in 2025 was deemed a massive success from audiences, performers, organisers and the wider community and we successfully catered for diverse musical tastes from Celtic, Swing, Americana, Bluegrass, Electronic and much more in between.

Shetland Folk Festival Society

ANNUAL REPORT OF THE TRUSTEES

for the year ended 30 September 2025

ACHIEVEMENTS AND PERFORMANCE (continued)

2025 was also the year that we implemented the Kaustinen-Shetland tune exchange project, which was also a huge success. With musical leadership provided by Shetland's very own Amy Laurenson and Kaustinen's Esko Jarvella, a developmental opportunity was provided for four young Shetland musicians and five young Finnish musicians. After just three days of rehearsals, the group first performed as the opening act at the prestigious Saturday Mareel concert at the Festival. In July, the Shetlanders involved with the project made a long trip to Kaustinen in Finland to showcase the performance again but also to take part in Näppärit and Folkskandia, a huge Nordic educational project involving 600 musicians and showcasing traditional tunes from Finland, Denmark, Norway, Sweden, Estonia and Shetland.

In terms of the Festival, like any year, there are huge challenges to putting on such a large-scale event in Shetland, including having to import production equipment and technicians from mainland Scotland, responding to rising costs and facing uncertainty in the availability of core revenue funding and business sponsorship.

For the 43rd edition of the Festival, there were fifteen visiting bands and thirty-one Shetland acts that performed over the four days with over two hundred musicians gracing our stages. Once again, the Festival organisers took great pride in embracing community inclusivity in terms of our programming. This included staging three alcohol free concert options and seven concerts in rural communities. Rural concerts are generally all loss making as stand-alone events, due to small venue size and increased overheads in staging them, including local transportation costs. However, staging concerts the length and breadth of Shetland has always been (and will always be) a part of our offering.

As part our inclusive approach, we also offered subsidised concerts geared towards families, including the ever-popular 'Peerie Spang' concert. These were programmed alongside several outreach events for multiple schools and local authority settings that support both adults and young people with additional support needs. In fact, in 2025, we had a particular focus on opening up opportunities for young people

We staged two morning concerts in Festival venues, welcoming 90 pupils from Tingwall Primary School to a short concert in Tingwall Hall and the entire Bell's Brae Primary School in Lerwick (around 300 pupils) to a dedicated concert in St Columba's Church.

Making music freely accessible to all pupils in this way and in an amplified concert format, we know that we will have reached families that wouldn't otherwise be in a position to engage with the music and concert experiences on offer at the Shetland Folk Festival.

Further highlights included:

- School performances in the Additional Support Unit (ASN) in Bells Brae Primary School with 50 in attendance.
- A lively performance in Eric Gray Centre, with 25 adults with additional support needs taking part and dancing to lively music provided by our resident Festival Club musicians
- An Early Years focused performance with Budapest Café Orchestra, with ELC/schools from all throughout Shetland and 250 pupils & staff attending
- A visit to Sandwick school with The Hot Seats, with 180 in attendance.

Our Festival Club activities and annual membership subscription cost is also driven by being inclusive as possible. We recognise that for many, the rising cost of living and decreased spending capacity can be crippling.

Shetland Folk Festival Society

ANNUAL REPORT OF THE TRUSTEES for the year ended 30 September 2025

ACHIEVEMENTS AND PERFORMANCE (continued)

Since returning after the pandemic, the Festival has focused really hard on reshaping the Festival Club to be an open, relaxed and affordable option for Festival goers to access world class visiting and Shetland music. Festival membership acts as a "weekender" ticket, with 4 packed days of programmed music offered on a first come first serve basis in Room 16 in Islesburgh Community Centre, as well as multiple scheduled sessions and workshops which are open to all abilities. Families have been particularly positive about this development, on the basis of price and it offering a more relaxed daytime setting to give children some flavours of live music. There were 1758 paid for members of the Festival in 2025, as well as around 250 others who receive complimentary tickets to the daytime Club in return for volunteering.

In 2025, the free taster workshops for Festival members included 'Shetland Fiddle', 'Shetland Dancing', 'Nordic Tunes' and 'Choral singing' with workshop numbers ranging from 12-50 participants per session.

In terms of ticketed activities, there were twenty-six events in an overall programme of fifty-three scheduled engagements. Since 2023, we have ticketed the late night Festival Club, which has significantly increased both the numbers of tickets we have available and the numbers we sell.

Including the complimentary tickets that go to key volunteers like our accommodation hosts, the Festival issued 9834 tickets and wristbands for music programmed in 12 different venues as part of the 2025 Shetland Folk Festival. However, overall attendances are estimated to be nearer 11,000 when you include ticketed concerts, daytime programming in the Club, school and outreach events as well as the scheduled workshops and session activities.

In terms of our contribution to the local tourism sector, our volunteer Festival continues to punch well above our weight in terms of providing a positive economic boost in the shoulder season. The 2025 event attracted over 740 independent visitors, including 185 from outside of the UK. These figures exclude the musicians and creative professionals that we contract with, who of course also contribute to additional spend in the local economy.

However, Shetland Folk Festival remains predominantly an event for the community with at least 3500 Shetland residents attending Festival events.

Once again, our volunteer committee are incredibly proud of what we delivered in 2025. An estimated 9000 volunteer hours and 485 volunteers participated to make our event a success, leaving the core committee invigorated and inspired to do it all over again next year!

Without the incredible volunteer sweat equity that goes into delivering this event, including volunteers opening their homes to artistes, the annual Shetland Folk Festival simply could not happen, as our overheads would simply be too high. Our thanks go to each and every one of our volunteers, our corporate sponsors and Creative Scotland. See you in 2026!

FUTURE PLANS

Our intention is to carry on promoting an annual Shetland Folk Festival during April/May in the coming years, developing new educational projects as the opportunity arises and assisting to develop the traditional music of Shetland and its promotion outside of Shetland too.

Shetland Folk Festival Society

ANNUAL REPORT OF THE TRUSTEES

for the year ended 30 September 2025

FINANCIAL REVIEW AND RESERVES POLICY

Under charity guidelines, with our income below £250k we elected in 2015 to move from full accrued accounts to simplified accounts in the form of "Receipts & Payments." This change in accounting style was approved by our Grant Funders and OSCR.

As a result of the loss of £10,264 for the year the charity held funds of £121,715 at the year end. With the Shetland-Kaustinen Tune exchange project, we anticipated an overall loss in 2025 and always planned to spend the balance of the Nordic Tone restricted fund and to use resources from the Youth Programming and Development fund too.

General funds are unrestricted funds which are available for use at the discretion of the committee in furtherance of the general objectives of the charity which have not been designated for any other purpose.

By order of the Trustees and Executive Committee



C Fordyce
Chairman

5 Burns Lane
Lerwick
Shetland
ZE1 0EJ

30.6.2026

Shetland Folk Festival Society

UNAUDITED RECEIPTS AND PAYMENTS ACCOUNT

for the year ended 30 September 2025

	Notes	2025 Unrestricted	2025 Restricted	2025 Total £	2024 Total £
RECEIPTS					
Voluntary receipts:					
Grants received	2	-	15,000	15,000	17,000
Sponsorship and donations	3	21,346	-	21,346	20,900
Raffles		13,732	-	13,732	13,865
Merchandise		13,761	-	13,761	6,592
Commission on artists' sales		-	-	-	884
Receipts from charitable activities:					
Memberships		31,770	-	31,770	29,570
Functions		121,782	-	121,782	115,126
Festival Club donation		2,397	-	2,397	1,624
Kaustinen Folk Music Festival travel reimbursement		-	-	-	911
Miscellaneous income		1,875	-	1,875	1,849
TOTAL RECEIPTS		206,663	15,000	221,663	208,321
PAYMENTS					
Cost of fundraising:					
Raffles		1,502	-	1,502	1,579
Merchandise		8,890	-	8,890	6,252
Charitable activities:					
Artists' fees		48,465	13,450	61,915	52,995
Travel		17,671	800	18,471	18,116
PA hire		61,752	1,000	62,752	43,679
Functions		19,761	850	20,611	17,692
Festival Club		17,338	-	17,338	15,569
Publicity		950	400	1,350	1,016
Accommodation expenses		10,807	-	10,807	9,389
Office administration		5,851	-	5,851	4,802
Heat and light		1,306	-	1,306	1,141
Bank interest and charges		3,926	-	3,926	3,368
Performing Rights Society		4,612	-	4,612	4,192
Rates and insurance		2,114	-	2,114	2,117
Miscellaneous expenses		3,239	-	3,239	3,894
Purchase of fixed assets		-	758	758	678
Shetland-Kaustinen Tune Exchange project		-	6,485	6,485	-
TOTAL PAYMENTS		208,184	23,743	231,927	186,479
(DEFICIT)/SURPLUS FOR THE YEAR		(1,521)	(8,743)	(10,264)	21,842
		=====	=====	=====	=====

Shetland Folk Festival Society

Charity Registration No. SC013445

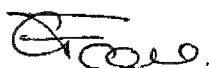
UNAUDITED STATEMENT OF BALANCES

at 30 September 2025

	2025 Unrestricted Funds £	2025 Restricted Funds £	2025 Total Funds £	2024 Total Funds £
FUNDS RECONCILIATION				
Cash and bank balances at start of year	86,524	45,455	131,979	110,137
Surplus/(Deficit) shown on receipts and payments account	(1,521)	(8,743)	(10,264)	21,842
Cash and bank balances at end of year	85,003 =====	36,712 =====	121,715 =====	131,979 =====
BANK AND CASH BALANCES				
Bank current account			118,445	131,960
Cash in hand			3,270	19
Total			121,715 =====	131,979 =====
OTHER ASSETS (unrestricted funds)				
Tangible fixed assets (at cost):				
Heritable property			45,478	45,478
Office furniture and equipment			5,294	4,536
The net book value of assets held at 30 September is			50,772 =====	50,014 =====
Grants and donations due to the charity			- =====	- =====

The accounts on pages 1 to 9 were approved by the Executive Committee and authorised for issue on 30.9.26..... and signed on their behalf by:

C Fordyce
Chairman



D Nicolson
Treasurer



Shetland Folk Festival Society

Charity Registration No. SC013445

UNAUDITED NOTES TO THE FINANCIAL ACCOUNTS

at 30 September 2025

1 BASIS OF ACCOUNTING

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. GRANTS	2025 £	2024 £
Restricted:		
The National Lottery Open Fund	15,000	17,000
	<u>15,000</u>	<u>17,000</u>
	=====	=====
3. SPONSORSHIP & DONATIONS	2025 £	2024 £
Adenia	500	500
Allied Taxis	500	500
Anderson Strathearn	500	200
Arch Henderson	2,500	2,500
Arven	4,000	-
Brae Stores	500	500
De Jong	746	-
Enquest	1,500	1,500
Ernwood	300	250
ESPL	800	750
Fjara	-	500
GB & MA Anderson	-	500
J.W.Gray & Co & Carling	3,000	2,000
LHD	750	750
Lerwick Port Authority	500	1,500
MFV Merlin	1,000	-
Moray Offshore	-	4,000
Moulders Accountancy	500	500
RG Jamieson	-	500
Scottish Sea Farms	750	1,500
Seabirds & Seals	600	500
Serco	-	1,000
Voar	1,800	-
Miscellaneous donations received	600	950
	<u>21,346</u>	<u>20,900</u>
	=====	=====

Donations in kind were also received during the year from Scholes Chartered Accountants £2,705 (2024 - £2,705), Serco Northlink Orkney & Shetland Ferries Ltd £6,755 (2024 - £6,204) and Shetland Arts Development Agency £2,490 (2024 - £2,732).

Shetland Folk Festival Society

Charity Registration No. SC013445

UNAUDITED NOTES TO THE FINANCIAL ACCOUNTS

at 30 September 2025

4. MOVEMENT OF FUNDS

	2024	Incoming Resources £	Expended Resources £	Transfers £	2025 £
Unrestricted funds:					
General fund	86,524	206,663	(208,184)	-	85,003
Restricted funds:					
Youth Programming and Development fund	14,000	-	(4,092)	-	9,908
Nordic Tone fund	3,893	-	(3,893)	-	-
The National Lottery Open Fund	-	15,000	(15,000)	-	-
Designated funds:					
Office and IT Upgrade	20,322	-	(758)	-	19,564
Heritable property fund	7,240	-	-	-	7,240
Total funds	131,979	221,663	(231,927)	-	121,715
	=====	=====	=====	=====	=====

Restricted funds:

The Youth Programming and Development Fund was created to finance future educational projects, school visits, playgroup concerts and potentially supporting some costs of students' music tuition fees.

The Nordic Tone fund is a restricted fund to be used to finance future educational projects of the nature of the Nordic Tone project, staged in 2009.

The National Lottery Open Fund – is a restricted fund to be used to support a period of research, development and/or delivery of creative activity for up to 18 months.

Designated funds:

The Office and IT Upgrade fund was created to provide funding towards upgrading of the charity's website, developing online sales as well as the maintenance and purchase of items for the office.

The Heritable Property fund relates to money to be spent on the upkeep of the office building.

5. TRUSTEES' REMUNERATION AND EXPENSES

No trustee received any remuneration in the current or preceding period. No trustee received any expenses in the current or preceding period.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF SHETLAND FOLK FESTIVAL SOCIETY, SC013445
30 September 2025**

I report on the accounts of the Charity for the year ended 30 September 2025 set out on pages 1 to 9.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations).

The charity trustees consider that the audit requirement of Regulation 10(1) (d) 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 2005 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 opinion on the view given by the accounts.

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 9 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.



Irene Hambleton BAcc CA
On behalf of A.J.B. Scholes Ltd
Chartered Accountants
St Olaf's Hall
Church Road
Lerwick
Shetland
ZE1 0FD

30 June 2026.