Company registration number SC176817 (Scotland)

Charity registration number SC019785 (Scotland)

SHETLAND ISLANDS CITIZENS ADVICE BUREAU

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

SHETLAND ISLANDS CITIZENS ADVICE BUREAU

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SHETLAND ISLANDS CITIZENS ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Beer (Chair) D Bell (Vice chair) K Geddes R Lewis (Treasurer) D Marsh M G Smith W Fraser R Simpson
Secretary	D Armstrong
Charity number (Scotland)	SC019785
Company number	SC176817
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 Shetland ZE1 0DL

SHETLAND ISLANDS CITIZENS ADVICE BUREAU

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 accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply 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).

Objectives and activities

The purposes of the charity

The charity is a voluntary organisation established for the purpose of benefiting the Shetland community by:

- (1) ensuring that individuals do not suffer through ignorance of their rights and responsibilities of the services available or through an inability to express their needs effectively;
- (2) by exercising a responsible influence on the development of social policies and services both locally and nationally.

The activities of the charity

The principal activity of the charity is to provide free, confidential, impartial and independent information and advice to all. This includes information and advice on benefits, consumer issues, debt, employment, housing, relationship, tax, utilities, immigration and other miscellaneous issues. Advice is provided by phone, email and letter, through the charity's website, and face-to-face in the bureau office or through home visits.

The core advice service provided by the bureau is funded by Shetland Charitable Trust (SCT). In addition to funding core bureau costs and providing support for volunteers to provide generalist advice, SCT also provide some funding for specialist advice in benefits, debt and energy, and support the bureau to make advice accessible. Five years of SCT funding has been secured to 31 March 2030.

To meet demand, additional specialist advice and support on social security benefits, debt and money management, and energy issues has been funded since 2016 through funding from Shetland Islands Council (SIC). The current SIC funding term ended on 31 March 2026 and the continuation of services were secured through a new 4 year contract with the SIC to end 31 March 2030. The local authority has provided additional funding to the charity to help meet the significant growth in demand for advice as a result of continuing rises in the cost of living and energy provision. From January 2023, SIC have provided 2.5 years' funding to support generalist advice and income maximisation advice. This funding ended on 30 June 2025. The SIC also awarded the bureau 3 years' funding from April 2023 to sustain and adapt services to meet the ongoing demand for advice in the areas of client triage, energy and benefit advice, and to build resilience in the organisation. This funding ended on 31 March 2026.

Utilising its designated match funding reserve established in 2022, the charity was able to secure 3 years' funding through Coastal Communities to retain the Energy Adviser who had been funded by Energy Savings Trust. From January 2023, Coastal Communities funding has been used for the delivery of community-based energy and benefits advice. Coastal Communities provided 71% funding with the bureau required to provide match funding for the remaining 29%. This funding ended on 31 December 2025.

The charity also provides a number of services through national contracts secured by Citizens Advice Scotland. In 2025/26, these were the Patient Advice and Support Service (PASS) which offers independent advice and support to patients wishing to make a complaint or raise concerns about NHS services; the Money Talk Plus project which has been used to part-fund triage so that client enquiries can be dealt with more effectively and also to provide support with disability benefit applications; and the Pension Wise service which is a free and impartial service that helps people understand their pension options. Funding for the Pension Wise service ended on 31 March 2026.

Foundation Scotland also awarded the bureau 2 years unrestricted funding from April 2025 to maximise, sustain and adapt crucial services to meet ongoing demand.

Contribution of Volunteers

Volunteers play an important role in the bureau and make a real difference to people's lives. Half of the people involved with the bureau are volunteers. Volunteers are involved in a number of different roles.

Within the bureau's core service, volunteer advisers interview clients and give them information and advice on a wide range of issues with the support of session supervisors and other specialist staff as required. After completing a structured training programme, advisers are normally expected to work approximately six-eight hours per week, usually on regular days, plus attendance at meetings and training sessions.

The bureau's trustees are also volunteers who give their time not only at bimonthly board meetings but also on a range of sub committees.

The commitment and support of the volunteers is the lifeblood of the bureau and always will be, irrespective of the number of paid staff that is employed. We are extremely grateful to all our volunteers for their flexibility and commitment which have been crucial in enabling us to sustain our delivery through the continuing rises in the cost of living and energy provision which have placed such high demand on the service.

Achievements and performance

During 2025/26, the bureau delivered an effective, high-quality advice service to meet local needs.

- 1,577 individuals were supported by the bureau in 2025/26. Clients accessed help 7,834 times.
- 50% of contacts were by email, 29% by phone, 6% by letter, and 15% face to face.
- Clients were advised on 6,823 issues relating to benefits, debt, tax and financial issues, utilities and communication, legal proceedings, employment, relationships, housing, consumer issues, health and community care, immigration, travel and transport, NHS concerns or complaints, discrimination and education.
- 56% of advice was on Benefits and the financial gain through successful benefit applications, appeals and back payments was £1,435,845.
- 8% of advice was on Debt, Tax and Financial issues. 31 people were assisted with debts totaling £343,590, giving an average debt per client of £11,084 per client. Debt written off for 5 clients totaled £13,707.
- 16% of advice was on Energy issues and 487 people were helped to keep their households warm by resolving billing problems, helping them to access financial support, providing energy efficiency advice and tackling fuel debt.
- The total financial gain achieved for clients supported by CAB was £1,525,772.
- Volunteers contributed more than 5,400 hours to the work of the Bureau. At National Living Wage rate, this is equivalent to a contribution of just under £66,000.
- 96% of clients were satisfied that the advice provided helped them sort out the problem they had contacted the service about. 98% were happy with the accessibility of the service and 99% were satisfied with the service they received. 100% would use the service again and recommend it to someone else.

Financial review

Total income has increased in the year from £600,935 in 2025 to £698,717 in 2026. Details of principal funding sources are given below. Total expenditure has decreased from £617,009 in 2025 to £594,548 giving a net increase in funds for the year of £104,169.

Against the backdrop of limited resources and uncertainty over future funding, it is difficult to plan and develop services. Nevertheless, through sound financial management, the charity has broadly maintained its level of service provision during a period of sustained high demand. A generous donation of £100,000 in unrestricted funding from Foundation Scotland has provided the Bureau with greater financial stability, enabling it to plan with increased confidence, maintain essential services, and continue responding to the needs of the local communities it serves.

Principal funding sources

Shetland Charitable Trust (SCT) has been the charity's core funder since 1992 and was the charity's only funder to 2000/01. A strategic decision was taken in 2000/01 to diversify funding sources to reduce financial risks. Following a long period of standstill funding, the charity was able to apply for increased core funding from the Charitable Trust to cover the full costs of the core service. The charity has successfully applied for continued core funding from SCT for a further five years. This puts the charity in a more secure position. However, SCT did not fully fund the charity's application so it is anticipated that the charity will need to draw on reserves to meet its core costs in the next 4 years.

In the year to 31 March 2026, approximately 74% of funding was obtained from Shetland Charitable Trust and Shetland Islands Council, with the remaining 26% being sourced from external funders including Citizens Advice Scotland and Foundation Scotland. In 2025/26, CAB levered in over £208,399 of external funding.

Reserves policy
The Board of Directors has examined the charity's requirements for reserves in the light of the main risks to the organisation and has established seven reserves funds:

1. Unrestricted General Reserves to cover unforeseen emergency costs based on 3 months operating costs excluding costs covered in 2 above.
2. Designated Redundancy Costs Reserve to enable the bureau to meet its legal commitment to pay staff redundancy costs should the need for redundancies arise.
3. Designated Contingency Reserve to cover the costs of 3 months of actual core expenditure; long term senior staff absence cover; project funding at risk of not being received; and funding to cover bid writing.
4. Designated IT Replacement Reserve for additional computer equipment and other items for staff and volunteers to enable them to effectively deliver the service.
5. Designated Match Funding Reserve to provide a source of match funding for external funding bids. In 2025/26 £5,984 of Match Funding has been used to match the costs of the Coastal Communities project.
6. Finance and Governance funds part of the new Finance and Resource Manager post, which provides a dedicated resource for financial and HR and operational administration assistance, as well as assisting the manager with organisational governance.
7. Designated Local Core Funding Deficit to cover the budgeted shortfall for local core funding to 2030 excluding costs covered in 2 above.

The value of these reserves has been calculated as follows:

1. Unrestricted General Reserves £151,391
2. Designated Redundancy Costs Reserve £66,756
3. Designated Contingency Reserve £74,185
4. Designated IT Replacement Reserve £5,000
5. Designated matching fund £73,708
6. Designated Finance and Governance fund £Nil
7. Designated Local Core Funding Deficit £103,329

The remainder of unrestricted reserves is sufficient to meet 3 months operating costs not covered by the Designated Contingency Reserve as recommended by the Office of the Scottish Charity Regulator (OSCR).

Total funds at the year-end were £567,375 of which £93,006 were restricted and £474,369 were unrestricted. Designated funds of £322,978 were held at the year-end for the purposes stated above.

Plans for future periods

The charity plans to continue the core advice activities outlined above in the forthcoming years subject to satisfactory funding arrangements. Funding for the year to 31 March 2027 is in place which will enable the charity to continue to provide services at a similar level to 2025/26.

Shetland Charitable Trust (SCT) has approved funding to 31 March 2030 for the core service.

The bureau has secured a further 4 years contract with Shetland Islands Council (SIC) to 31 March 2030 for the ongoing provision of a Financial Health Service and an Energy Advice Service.

Foundation Scotland has awarded 2 years unrestricted funding to March 2027 to support the work of the bureau and to help maximise the crucial services provided in Shetland based on its expertise and knowledge. This funding has allowed the charity to retain the Community Based Energy and Benefits Adviser who had been funded by Coastal Communities.

Continued funding has been secured through Citizens Advice Scotland (CAS) for the PASS service to 31 May 2027 and the Money Talk Team project to 31 March 2028.

During 2026/27, the charity will work to secure further external funding in line with its Business Plan.

Risk management

A review of the major risks to which the charity is exposed has been conducted. Systems of procedures have been established to mitigate the risks the charity faces. To cope with external risks to funding we have established a reserves policy and a plan that allows for the diversification of funding and activities. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the organisation. Citizens Advice Scotland (CAS) carry out quarterly quality of advice audits, and three-yearly full organisational audits to ensure a consistent quality of service delivery for all operational aspects of the charity. In August 2023, the charity achieved full compliance in the three-yearly audit. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Structure, governance and management
Governing document

The organisation is a charitable company limited by guarantee, incorporated on 30 June 1997, and registered as a charity on 17 January 1992. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Organisational structure

The Scottish Citizens Advice Bureau service consists of Citizens Advice Scotland and 58 Citizens Advice Bureaux throughout Scotland, each of which is an independent and autonomous charity responsible for its own management, development and funding but affiliated to Citizens Advice Scotland.

Citizens Advice Scotland is a national membership body that provides essential services to Citizens Advice Bureaux, including supporting bureau management, training, expert help for bureaux advisers and membership standards. The CAS Network Services team work with bureau managers and boards of management to provide guidance and good practice models to make sure that the business of giving advice runs smoothly. This includes help in the critical areas of volunteer recruitment and fundraising.

The charity has a Board of Directors of up to 12 members who meet two-monthly and are responsible for the strategic direction and policy of the charity. Directors are appointed to hold offices of chairperson, vice chairperson and finance director/treasurer until the conclusion of the annual general meeting which next follows appointment.

The Board of Directors oversee the financial planning, budgeting and spending of the bureau, including fundraising work, and ensure that the bureau maintains the membership conditions that allows the bureau to be part of the Scottish Association of Citizens Advice Bureaux. In 2023, the bureau was audited against the Membership Standards of the Scottish Association of Citizens Advice Bureaux and achieved full compliance. A scheme of delegation is in place and day-to-day responsibility for the provision of the service rests with the manager. The Bureau Manager is responsible for the delivery, management, and monitoring of all funding awarded to the charity and line manages all staff and projects of the charity. In June 2025, a new full-time Finance and Resource Manager was recruited to bring the entire finance function in-house and to assist with robust management of the organisation, ensuring the responsible administration of income and expenditure, payroll, HR and operations. The chairperson and vice chairperson are responsible for urgent matters between board meetings.

The trustees, who are also the directors for the purpose of company law, and who served during the year and since the year end were:

S Beer (Chair)	
D Bell (Vice chair)	
C Cossor	(Resigned 20 August 2025)
K Geddes	
R Lewis (Treasurer)	
D Marsh	
M G Smith	
W Fraser	(Appointed 20 August 2025)
R Simpson	(Appointed 17 September 2025)

Recruitment and appointment of directors

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Directors. The maximum number of Directors is twelve; these consist of a maximum of nine elected Directors from membership, and a maximum of three Co-opted Directors.

At each general meeting both classes of director retire from office but are eligible for re-election. Staff (including management) and volunteers of the Bureau are not eligible to be appointed as Directors. Staff and volunteers (including the Manager, Assistant Managers, Staff Adviser and Volunteer Adviser) are permitted to attend Board meetings in an advisory role.

Directors induction and training

New directors are issued with an induction pack containing the aims and principles of the charity, the Articles and Memorandum of Association, and primary policies and procedures. Directors also have the opportunity to attend periodic training sessions to familiarise themselves with the charity, the context within which it operates, and responsibilities of the Board of Directors.

The charity has taken out indemnity insurance in favour of the directors.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) and in accordance with the small companies regime.

Auditor

In accordance with the company's articles, a resolution proposing that A.J.B. Scholes Ltd be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

....
S Beer (Chair)
Trustee
Dated: ....
15th July 2026

....
R Lewis (Treasurer)
Trustee
Dated:...15/7/2026

SHETLAND ISLANDS CITIZENS ADVICE BUREAU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2026

The trustees, who are also the directors of Shetland Islands Citizens Advice Bureau for the purpose of company law, are responsible for preparing the Trustees' 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 trustees 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 trustees 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 trustees 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 TRUSTEES AND MEMBERS OF SHETLAND ISLANDS CITIZENS ADVICE BUREAU

Opinion

We have audited the financial statements of Shetland Islands Citizens Advice Bureau (the 'charity') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities on page 8, 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 trustees 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 trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- 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), Companies Act 2006, 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 Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the 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.

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.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SHETLAND ISLANDS CITIZENS ADVICE BUREAU (CONTINUED)

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, 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 trustees 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 trustees 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
18 July 2026.

A.J.B. Scholes Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SHETLAND ISLANDS CITIZENS ADVICE BUREAU

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Income from:							
Donations and legacies	2	100,399	-	100,399	-	-	-
Charitable activities							-
Grants receivable	3	23,424	569,905	593,329	22,109	573,243	595,352
Investments	4	4,989	-	4,989	5,583	-	5,583
Total income		128,812	569,905	698,717	27,692	573,243	600,935
Expenditure on:							
Charitable activities	5	959	593,589	594,548	26,966	590,043	617,009
Total expenditure		959	593,589	594,548	26,966	590,043	617,009
Net income/(expenditure)		127,853	(23,684)	104,169	726	(16,800)	(16,074)
Transfers between funds		12,985	(12,985)	-	11,370	(11,370)	-
Net movement in funds		140,838	(36,669)	104,169	12,096	(28,170)	(16,074)
Reconciliation of funds:							
Fund balances at 1 April 2025		333,531	129,675	463,206	321,435	157,845	479,280
Fund balances at 31 March 2026		474,369	93,006	567,375	333,531	129,675	463,206

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. SC176817

SHETLAND ISLANDS CITIZENS ADVICE BUREAU

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Current assets					
Debtors	**10**	55,557		19,001	
Cash at bank and in hand		543,836		480,940	
		599,393		499,941	
Creditors: amounts falling due within one year	**11**	(32,018)		(36,735)	
Net current assets			567,375		463,206
Income funds					
Restricted funds	**12**		93,006		129,675
Unrestricted funds	**13**		474,369		333,531
			567,375		463,206

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

The accounts were approved by the Trustees on 15/7/2026

S Beer (Chair) 15th July 2026
Trustee

R Lewis (Treasurer)
Trustee

SHETLAND ISLANDS CITIZENS ADVICE BUREAU

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**17**		57,907		(26,613)
Investing activities					
Investment income received		4,989		5,583	
Net cash generated from investing activities			4,989		5,583
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			62,896		(21,030)
Cash and cash equivalents at beginning of year			480,940		501,970
Cash and cash equivalents at end of year			543,836		480,940

1 Accounting policies

Charity information
Shetland Islands Citizens Advice Bureau is a private company limited by guarantee incorporated in Scotland. The registered office is Market House, 14 Market Street, Lerwick, Shetland, ZE1 0JP.

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 company is dependent on the continued support of various funding agencies to fund its future activities. When funding cuts are proposed, the relevant service costs will be reduced accordingly. Funding has been built in to allow for any additional costs where services have to be reduced.

At the time of approving the financial statements, the trustees have secured funding to cover core costs in the year to March 2027, and have a reasonable expectation that the charity will have adequate resources to continue in operational existence, whether through reduced costs or use of reserves. The board have reviewed budgets for the foreseeable future and with the funds already available for activities together with the income receivable in 2026/27 and into the medium term, they are satisfied there is sufficient resources to see the charity through for at least 12 months from the date of signing the accounts. Crucially, the charity has secured 5 years core funding (to March 2030) from Shetland Charitable Trust. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements and confirm there are no material uncertainties.

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The costs of raising and administering such funds are charged against the specific fund. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1 Accounting policies **(Continued)**

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Resources expended
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.

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Expenditure is shown gross of irrecoverable VAT. Expenditure is classified under the following activity headings:

Charitable activities
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 administration and management staff costs, office overheads and governance costs.

Governance costs
Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories 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.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments 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. There are no section 12 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 trade and other creditors and accruals 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.

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.

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.

Retirement benefits

The charity makes defined contributions to employees' personal pension plans on the basis that the employee is contributing at a defined level. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Income from donations and legacies

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Donations and gifts	100,399	-

3 Income from charitable activities

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Grants receivable						
Shetland Charitable Trust	-	335,000	335,000	-	286,000	286,000
Citizens Advice Scotland	20,730	87,253	107,983	20,884	90,876	111,760
Shetland Islands Council	-	147,652	147,652	-	169,144	169,144
Other grants/funding	2,694	-	2,694	1,225	27,223	28,448
	23,424	569,905	593,329	22,109	573,243	595,352

Income from charitable activities for 2025 relates to grants received.

4 Income from investments

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Interest receivable	4,989	5,583

5 Expenditure on charitable activities

	2026 £	2025 £
Direct costs		
Staff costs	359,472	397,652
Rents, rates and insurances	824	1,809
Furniture and equipment costs and hire	2,065	1,234
Books, stationery and subscriptions	15,301	10,038
Telephone and IT	18,216	18,345
Postage and petty cash	1,386	1,304
Training, travel and meetings	11,639	11,849
Misc expenses	454	7,462
Recruitment costs	1,177	1,771
Advertising and promotions	1,029	923
	411,563	452,387
Share of support and governance costs (see note 7)		
Support	161,919	134,063
Governance	21,066	30,559
	594,548	617,009
Analysis by fund		
Unrestricted funds	959	26,966
Restricted funds	593,589	590,043
	594,548	617,009

6 Trustees

Three of the trustees (or any persons connected with them) received £178 (2025 - one of the trustees received £255) for reimbursement of expenses from the charity during the year.

7 Support costs allocated to activities

	Basis of allocation	2026 £	2025 £
Staff costs	*Core staff*	155,838	131,323
Volunteer expenses	*Core volunteers*	6,081	2,740
Governance	*Governance*	21,066	30,559
		182,985	164,622

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

Governance costs comprise:	**2026** **£**	**2025** **£**
Audit fees	13,536	15,264
Bookkeeping services	3,047	7,718
Board and Annual Report expenses	763	1,673
Statutory accounts preparation	3,720	5,904
	21,066	30,559

8 Employees

The average monthly number of employees during the year was:

	2026 **Number**	**2025** **Number**
	13	14

Employment costs	**2026** **£**	**2025** **£**
Wages and salaries	437,726	454,924
Social security costs	45,713	40,133
Other pension costs	31,871	33,918
	515,310	528,975

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

Remuneration of key management personnel
The remuneration of key management personnel was as follows:

	2026 **£**	**2025** **£**
Aggregate compensation	107,419	100,989

The key management personnel of the charity comprise the trustees, the manager and assistant managers.

Key management personnel had expenses of £797 to be reimbursed for this year (2025: £323).

Trustees' expenses are disclosed at note 6.

9 Taxation

The charity is exempt from tax on income and gains falling within Chapter 3 Part 11 Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Debtors

	2026	2025
Amounts falling due within one year:	**£**	**£**
Prepayments and accrued income	55,557	19,001

11 Creditors: amounts falling due within one year

	2026	2025
	£	**£**
Trade creditors	2,011	7,590
Other taxation and social security	11,368	9,930
Other creditors	1,539	2,715
Accruals and deferred income	17,100	16,500
	32,018	36,735

12 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
	£	£	£	£	£
SCT Core	-	335,000	(296,739)	(38,261)	-
Core Restricted	5,191	6,133	-	38,261	49,585
SIC Debt Finance	-	118,000	(108,960)	(9,040)	-
Patient Advice & Support Service	900	8,167	(7,771)	-	1,296
Money Talk Plus	-	26,703	(26,638)	-	65
Pension wise	1,115	47,394	(48,509)	-	-
Social Policy	17,109	-	-	-	17,109
Bankruptcy Fees	260	-	-	40	300
Money Advice	12,443	-	-	-	12,443
Fairer Shetland	8,687	-	-	-	8,687
Consumer Support Network	3,521	-	-	-	3,521
Coastal Communities Funding	-	16,008	(21,992)	5,984	-
SIC Covid Recovery	604	12,500	(11,927)	(1,177)	-
SIC Islands Cost Crisis	79,845	-	(71,053)	(8,792)	-
	129,675	569,905	(593,589)	(12,985)	93,006

12 Restricted funds **(Continued)**

Previous year:	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
SCT Core	-	294,205	(307,846)	13,641	-
Core Restricted	18,832	-	-	(13,641)	5,191
SIC Debt Finance	-	118,000	(110,396)	(7,604)	-
Patient Advice & Support Service	457	7,968	(7,525)	-	900
Money Talk Plus	-	25,311	(25,311)	-	-
Pension wise	651	48,536	(48,072)	-	1,115
Social Policy	15,109	2,000	-	-	17,109
Bankruptcy Fees	260	-	-	-	260
Money Advice	12,443	-	-	-	12,443
Fairer Shetland	8,687	-	-	-	8,687
Utilities Project	113	-	-	(113)	-
Consumer Support Network	6,133	-	(2,612)	-	3,521
Coastal Communities Funding	-	27,223	(38,342)	11,119	-
SIC Covid Recovery	2,998	50,000	(48,184)	(4,210)	604
SIC Islands Cost Crisis	92,162	-	(1,755)	(10,562)	79,845
	157,845	573,243	(590,043)	(11,370)	129,675

12 Restricted funds **(Continued)**

The core advice service provided by the bureau is funded by Shetland Charitable Trust (SCT). In addition to funding core bureau costs and providing support for volunteers to provide generalist advice, SCT also provide some funding for specialist advice in benefits, debt and energy, and support the bureau to make advice accessible. Five years of SCT funding has been secured to 31 March 2030.

To meet demand, additional specialist advice and support on social security benefits, debt and money management, and energy issues has been funded since 2016 through funding from Shetland Islands Council (SIC). The current SIC funding term ended on 31 March 2026 and the continuation of services were secured through a new 4 year contract with the SIC to end 31 March 2030. The local authority has provided additional funding to the charity to help meet the significant growth in demand for advice as a result of continuing rises in the cost of living and energy provision. From January 2023, SIC have provided 2.5 years' funding to support generalist advice and income maximisation advice. This funding ended on 30 June 2025. The SIC also awarded the bureau 3 years' funding from April 2023 to sustain and adapt services to meet the ongoing demand for advice in the areas of client triage, energy and benefit advice, and to build resilience in the organisation. This funding ended on 31 March 2026.

Utilising its designated match funding reserve established in 2022, the charity was able to secure 3 years' funding through Coastal Communities to retain the Energy Adviser who had been funded by Energy Savings Trust. From January 2023, Coastal Communities funding has been used for the delivery of community-based energy and benefits advice. Coastal Communities provides 71% funding with the bureau required to provide match funding for the remaining 29%. This funding ended on 31 December 2025. A transfer of £5,984 was made from the Designated matching fund to the Coastal Communities Fund in the year.

The charity also provides a number of services through national contracts secured by Citizens Advice Scotland. In 2025/26, these were the Patient Advice and Support Service (PASS) which offers independent advice and support to patients wishing to make a complaint or raise concerns about NHS services; the Money Talk Plus project which has been used to part-fund triage so that client enquiries can be dealt with more effectively and also to provide support with disability benefit applications; and the Pension Wise service which is a free and impartial service that helps people understand their pension options. This ended on 31 March 2026.

In line with funding agreements the charity is permitted to retain a general reserve for the SIC Debt Finance and SIC Covid Recovery. Accordingly transfers amounting to respectively £9,040 and £1,117 were made to unrestricted funds. The balance of the SIC Islands Cost Crisis funds of £8,792 was used to match-fund finance & governance expenditure.

The Social Policy fund relates to funding received from Citizens Advice Scotland and is restricted for use in line with CAS social policy aims (for income maximisation, debt and energy).

The Money Advice and Fairer Shetland funds relate to funding originally received via Shetland Islands Council and is restricted for use in line with activities related to Money Advice.

The Consumer Support Network funding is restricted funding originally received from DTI via Trading Standards and will be used in line with activities related to Consumer Support.

13 Unrestricted funds

The income funds of the charity include unrestricted funds, out of which the trustees have set aside designated funds for specific purposes:

	At 1 April 2025	Incoming resources	Resources expended	Transfers	At 31 March 2026
	£	£	£	£	£
Unrestricted general fund	81,286	128,812	7,879	(66,586)	151,391
Designated redundancy costs	69,344	-	-	(2,588)	66,756
Designated contingency	99,750	-	-	(25,565)	74,185
Designated IT and remote working	10,000	-	-	(5,000)	5,000
Designated matching fund	73,151	-	-	557	73,708
Finance and governance	-	-	(8,838)	8,838	-
Designated Local Core Funding Deficit	-	-	-	103,329	103,329
	333,531	128,812	(959)	12,985	474,369

Previous year:	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Unrestricted general fund	75,559	27,692	(561)	(21,404)	81,286
Designated redundancy costs	62,764	-	-	6,580	69,344
Designated contingency	87,500	-	-	12,250	99,750
Designated IT and remote working	10,000	-	-	-	10,000
Designated matching fund	85,612	-	-	(12,461)	73,151
Finance and governance	-	-	(26,405)	26,405	-
	321,435	27,692	(26,966)	11,370	333,531

13 Unrestricted funds **(Continued)**

It is necessary for the Bureau to build up and maintain a reserve of unrestricted funds to enable the charity to meet its commitments; to cope with known risks; to replace IT equipment, to provide match funding for external funding bids, and to cope with unforeseen need for funds.

The Bureau therefore has recommended seven categories of Unrestricted Reserves with the target value of these reserves being calculated as set out below:
1. Unrestricted General Reserves to cover unforeseen emergency costs based on 3 months operating costs excluding costs covered in 2 above.
2. Designated Redundancy Costs Reserve to enable the bureau to meet its legal commitment to pay staff redundancy costs should the need for redundancies arise.
3. Designated Contingency Reserve to cover the costs of 3 months of actual core expenditure; long term senior staff absence cover; project funding at risk of not being received; and funding to cover bid writing.
4. Designated IT Replacement Reserve for additional computer equipment and other items for staff and volunteers to enable them to effectively deliver the service.
5. Designated Match Funding Reserve to provide match funding for bids to external funders in line with the review of service needs and the resulting business resource plan. This match funding has been used over the 2023-2025 period to part fund the Coastal Communities project and the short-term Finance and Governance post.
6. Finance and Governance funds part time Finance and Governance Manager post, which provides a dedicated resource to manage the growing workload relating to financial reporting and organisational compliance.
7. A designated local core funding deficit reserve has been set up to account for the difference in grant funding and actual budget costs over the current period of funding to 31 March 2030.

Reserve fund levels will be assessed and re-calculated annually as part of the preparation of the bureau's annual accounts.

Reserve funds will be effectively recorded/documented and where possible placed in interest earning accounts subject to the Bureau's financial procedures.

This policy will be reviewed annually as part of the bureau's annual review of financial procedures.

14 Analysis of net assets between funds

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £
At 31 March 2026:			
Current assets/(liabilities)	474,369	93,006	567,375
	474,369	93,006	567,375

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Current assets/(liabilities)	333,531	129,675	463,206
	333,531	129,675	463,206

15 Financial commitments, guarantees and contingent liabilities

There are contingent liabilities to pay back any grants received if conditions are breached. The grantors may also ask for money back if they deem too large a surplus has been made.

The directors consider that it is impracticable to value these contingent liabilities.

16 Events after the reporting date

During May 2026, Shetland Islands Citizens Advice Bureau have been awarded an unrestricted three year grant totalling £105,000 from The Robertson Trust

17 Cash generated from/(absorbed by) operations	2026 £	2025 £
Surplus/(deficit) for the year	104,169	(16,074)
Adjustments for:		
Investment income recognised in statement of financial activities	(4,989)	(5,583)
Movements in working capital:		
(Increase) in debtors	(36,556)	(3,199)
(Decrease)/increase in creditors	(4,717)	10,743
(Decrease) in deferred income	-	(12,500)
Cash generated from/(absorbed by) operations	57,907	(26,613)