

**REGISTERED NO. SC646337**

**CHARITY REGISTRATION NO. SC050701**

**SHETLAND UHI**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2024**

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## SHETLAND UHI

### LEGAL AND ADMINISTRATIVE INFORMATION

<b>Members</b>		
Maria Bell	Independent Director	
Claire Christey	Independent Director	
Simon Clarke	Teaching Staff Director	
Lauren Doughton	Independent Director	
John Goodlad	Independent Director	
Karen Hall	Independent Director	
Graeme Howell	Independent Director	
Jane Lewis	Executive Director, Principal and Chief Executive	
David Sandison	Independent Director	
Valerie Nicolson	Independent Director	
Mason Robbins	Independent Director	
Angela Sutherland	Non-Teaching Staff Director	Resigned 13 <sup>th</sup> December 2023
Samuel Wyeth	Non-Teaching Staff Director	Appointed 13 <sup>th</sup> December 2023, Resigned 31 <sup>st</sup> May 2024
Susan Beer	Student Director	Appointed 29 <sup>th</sup> March 2023, resigned 28 <sup>th</sup> September 2023
Daniel Lawson	Independent Director	Appointed 4 <sup>th</sup> October 2023
Gary Souter	Student Director	Appointed 4 <sup>th</sup> October 2023, resigned 30 <sup>th</sup> June 2024
Keith Massey	Student Director	Appointed 17 <sup>th</sup> January 2024, resigned 14 November 2024
Brian Smith	Independent Director	Appointed 26 <sup>th</sup> June 2024
Amanda Hawick	Independent Director	Appointed 25 <sup>th</sup> August 2024
Harley Green	Student Director	Appointed 23 <sup>rd</sup> August 2024
Mark Green	Independent Director	Appointed 25 <sup>th</sup> August 2024
Selina-May Miller	Non-Teaching Staff Director	Appointed 9 <sup>th</sup> October 2024
<b>Company Secretary</b>		Matthew Sierocinski King
<b>Registered Office</b>		Shetland UHI Gremista Lerwick, Shetland ZE1 0PX
<b>Registered Number</b>		SC646337
<b>Charity Registration Number</b>		SC050701
<b>Bankers</b>		Virgin Money 106 Commercial Street Lerwick Shetland ZE1 0JJ
<b>Solicitors</b>		Thorntons Solicitors 1 West Regent Street Glasgow G2 1RW
<b>External Auditors</b> Wbg (Audit) Limited 168 Bath Street Glasgow G2 4TP		<b>Internal Auditors</b> BDO 70 York Street Glasgow G2 8JX

# **SHETLAND UHI**

## **REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JULY 2024**

As a partner college of the University of the Highlands and Islands (UHI), UHI Shetland is part of a unique organisation – a distinctive partnership of independent colleges and research institutions, locally based and rooted in communities, but with national and international reach. UHI plays host to several research Centres and Institutes that reflect the economy, heritage and environment of the Region.

UHI Shetland was established as a non-incorporated college. It will become an assigned college to UHI, the Regional Strategic Body (RSB) for the Highlands and Islands. The new body achieved charitable status through registration with OSCR prior to vesting. UHI Shetland's Governance is led by the Board of Directors. Board Members make an important contribution to UHI Shetland and their experience, knowledge and commitment enables them to contribute to UHI Shetland's strategic direction, decision-making and continued development while also acting as ambassadors to communicate our activities to their contacts throughout the local area and beyond.

The college operates across two campuses – in Lerwick and Scalloway – and during academic year 23/24 operated learning centres in the North Mainland, Brae, Whalsay and the Northern Isles. The campus in Lerwick includes office, classroom, workshop, café and library space. The campus in Scalloway comprises a number of buildings which provide office, classroom, workshop and laboratory space, as well as a public library, a marine hatchery (moth balled), self-catering student accommodation, and associated facilities.

Academic Year 2023-24 saw a period of uncertainty at UHI Shetland as the college undertook a restructure and voluntary severance programme.

#### **Introduction**

The strengths of the UHI Shetland were evaluated at a workshop by the Board, as being our skilled workforce, some excellent facilities, our links to industry and being embedded in our community. All of our academic sections have links to industry and these links are particularly strong in health and care, technology, maritime and the built environment, creative industries, and in apprenticeship provision. We offer our community a wide range of learning without leaving Shetland and we respond to community needs. In areas linked to our activities we provide strategic leadership. Considering learning and teaching we have strengths in virtual delivery, providing access to wider UHI provision and networks and schools delivery and work-based learning.

Education Scotland reported during their Annual Engagement Visit in May 2024 a number of strengths:

- Learner Progress and Outcomes: a higher than sector norm successful completion for students.
- Student surveys indicate that learner satisfaction rates are above the sector norm, and learners have a high level of confidence in college staff.
- School-college programmes have high levels of successful completion and progression rates.

# **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

## **Strategic vision**

UHI Shetland refreshed their Strategic Plan 2030, with core commitments of:

- Teaching, learning and student support
- Research and innovation impact
- Enterprise and Growth
- Environmental Sustainability
- Operational Excellence.

The full Strategic Plan can be [viewed here](#).

## **Mission**

The purpose of the college is:

*To support a sustainable and collaborative environment in Shetland where the economy and community can prosper with local access to relevant, high-quality learning, training, and research opportunities.*

## **Vision Statement**

*Shetland UHI will be an inspirational hub of innovation and learning designed to meet the needs of the people of Shetland, nationally and internationally.*

## **Values**

Aligned to UHI's Strategic Plan and Vision, the College has chosen to adopt the UHI 'core' values of:

- Collaboration
- Openness
- Respect
- Excellence

## **Implementation**

Operational plans for all sections were developed using the strategic framework and were in place by September 2023. Operational plans were developed involving all teams and staff input.

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**Financial Results**

The table below shows the Adjusted Operating Position which is intended to reflect the underlying operating performance after allowing for material one-off or distorting items required by the SORP or other items out with the control of the College.

	<b>2023-24 £'000</b>
(Deficit) pre actuarial gains & losses	(1,284)
Deduct:	
Pension adjustment – Net interest cost	(188)
Pension adjustment – Current service costs	547
Pension adjustment – Past service costs	57
Pension Adjustment – Employer contributions	(612)
Adjusted operating (deficit)	(1,480)

**Taxation Status**

The Company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied for charitable purposes only. The College receives no similar exemption in respect of Value Added Tax.

**Treasury Policies and Objectives**

The College has a Treasury Management Policy and procedures setting out the College position on cash management, investments, and borrowings.

**Cash Flows**

The College had a net cash inflow of £924,000 in the year to 31st July 2024.

**Liquidity**

The College had cash balances of £1,266,000 at the year end.

**Creditor Payment Policy**

The College aims to pay its suppliers within 30 days.

The College's average creditor payment period is 34 days in 2024. Trade Creditors were £216,000 at 31st July 2024. The College did not pay any interest during the year under the Late Payment of Commercial Debts (Interest) Act 1998.

# **SHETLAND UHI**

## **REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JULY 2024**

#### **Charitable Objectives**

Activities and achievements of UHI Shetland for 2023- 2024 are given below against our charitable objectives:

#### **Objective 1**

*To advance education, and primarily further and higher education (in keeping with the Further & Higher Education Scotland Acts 1992 and 2005) of people within the Shetland Islands ("the Operating Area") and elsewhere, and the provision of training in skills of all kinds (particularly such skills as will assist the participants in obtaining paid employment) and all industries, including all aspects of the Shetland Fishing Industry, marine and coastal industries.*

In academic year 2023-24 UHI Shetland undertook the following:

- 2641, overall student enrolments
  - 87 Full Time Further Education (FE)
  - 2192 Part Time Further Education
  - 120 Full Time Higher Education (HE)
  - 242 Part Time Higher Education
- There were 176 new apprenticeships undertaken by people in the Shetland Isles supported by UHI Shetland
- UHI Shetland offered a wide range of short courses
  - 215 short courses run supporting local people and companies
  - 1388, delegates attended these courses
- In 2023/24 we relaunched and refreshed our courses for local S5 and S6 pupils, which increased enrolments fourfold from academic year 2022/23.

There has been an ongoing review of our curriculum and development of new courses designed to increase the offering locally and skills training in a wide variety of disciplines:

- RYA Advanced Powerboat Instructor
- RYA Powerboat Level 2 Instructor
- RYA Powerboat Level 1
- Forklift Instructor
- Day Skipper Theory

We continue to engage with industries and public sector bodies across Shetland and beyond, to provide education and training for young people as well as for people looking to upskill and retrain.

#### **Health, Care and Society**

During 2023/24 we worked closely with Shetland Islands Council (SIC) and NHS Shetland to develop a new senior phase offering "access to allied health professions". Aimed at pupils considering careers in nursing and allied health professions. In developing this we have explored creative ways to offer placement opportunities within this course to give students a real sense of working within the health and social care sector. We sought financial support from the SIC for PVGs (as all pupils on placement require this) and support from NHS Shetland with the costs associated with occupational health checks and training for those on placement within the hospital. This course has recruited well with eight young people engaged, and ready to begin in session 2024/25.

## **SHETLAND UHI**

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#### **FOR THE YEAR ENDED 31 JULY 2024**

During 2023/24 we have worked closely with the SIC Bridges project to support delivery of the Mental Health & Wellbeing Award. This recruited eight candidates, with some candidates then applying for full time college courses.

We continue to support the delivery of PGDE Primary and Secondary qualification and have three new teachers entering their probation year within Shetland schools.

We expanded our SVQ offering to include Healthcare Support (Clinical and non-clinical) awards. This has been well received by NHS Shetland and we have supported fifty healthcare support workers to achieve SVQs at SCQF level 6/7 this year.

We continue to be the provider of choice for SVQs in Health, Social Care, Children's Services and Early Years for the SIC, private providers and third sector organisations locally. This year we have provided qualifications for over 80 candidates working within the sector. All qualifications have enabled candidates to register with the Scottish Social Services Council (SSSC) which is a requirement of these job roles.

#### **Creative and Cultural Industries**

The Creative and Cultural Industries section continue to deliver teaching, research and knowledge exchange at a variety of levels. At SCQF 4 and 5 S3 and S4 school children were taught on the Skills for Work programmes in Art and Design and Music and Film.

The main NC programmes offered by Creative and Cultural Industries have been Creative Industries; Music and Film and Art and Design. We also offered access to NC level modules in these discipline areas to students from S5 and S6 as part of 'Senior Phase' collaborations with schools in which pupils spent two afternoons per week in the college.

At HE levels the section taught HNC level Music, and contributed to the networked delivery of BA (Hons) Film Making in the Highlands and Islands, BA (Hons) Fine Art, BA(Hons) Archaeology, and Masters programmes in Archaeology, British Studies, Island Studies, Viking Studies, and Art and Social Practice.

2023-4 was the last year of delivery of BA Contemporary Textiles, with students completing years 3 and 4 to graduate with ordinary and honours degrees respectively. The section also supervised and examined students studying for post-graduate qualifications by research in Archaeology, Creative Practice and Northern Studies (MRes and PhDs).

#### **Business, Hospitality and Community Learning**

Business, Hospitality and Community Learning sections continued to offer courses from SCQF levels 1 through to 12. Classes for adults with additional needs were provided for the Eric Gray Service. At SCQF 4 and 5 S3 and S4 school children were taught on the Skills for Work programmes in Hospitality.

The main NC programmes offered by Business, Hospitality and Community Learning have been Administration and Hospitality.

At HE levels the section taught HNCs in Business, Accounting and Administration and IT, and contributed to the networked delivery of a variety of business degrees.



## **SHETLAND UHI**

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#### **FOR THE YEAR ENDED 31 JULY 2024**

The Business, Hospitality and Community Learning section provided Core Skill modules at SCQF 4, 5 and 6. We have offered SVQs and Modern Apprenticeships in Hospitality, Business Administration and Accounting.

#### **Aquaculture**

The Aquaculture team have used funding from the UK Shared Prosperity Fund (STEM and Maritime Skills) grant to train and upskill staff to deliver more and new courses. The team currently delivers 30 different short courses; a blend of classroom and online delivery.

The new one-day RYA Powerboat Level 1 course is aimed at entry level novice boat users (min. age 8) and all courses were fully booked straight away. The aim is to provide flexible delivery for a wide range of boat users and promote boating safety and handling skills.

The year started on a very positive note with three winners at the ALBAS Awards for UHI Shetland aquaculture Modern Apprenticeships – Aquaculture Student of Year runner up Stuart Lavender (Cooke Aquaculture), Aquaculture Student of the Year winner Craig Grounds (Scottish Sea Farms), Runner up Higher Learner of the Year Hamish MacLean (Bakkafrost).

The Modern Apprenticeship programme in Aquaculture (ranging from SVQ2 – 4) continues to be very busy and the team have added three new industry customers this year. During the 23/24 academic year 76 MA Aquaculture students have completed their course, with another 110 MA Aquaculture apprentices currently in progress.

#### **Technology, Maritime and Built Environment**

The Technology, Maritime and Built Environment Section teach across both campuses at UHI Shetland. The Built Environment department offered course from SCQF level 4 to 7, including the new Academy Construction that bridged the progression gap between Vocational Pathways level 4 and Modern Apprenticeship level 6.

The new school's academy programme saw seven starts with six completing the course, four progressed onto our modern apprenticeship in carpentry & joinery programme.

Computing offered courses from SCQF level 4 to 10, with good school links through academy programmes that integrate school pupils with full-time NQ Interactive Media students. Progression routes through collaborative working with UHI partners enable students to exit studies with up to a bachelor's in science degree.

The Maritime team have continued to train young people for careers at sea while developing a new NC Shipping and Maritime Operations course to be run in academic year 24/25. Academic Year 2023-24 saw the Maritime team engaged with the Introduction to Commercial Fishing courses, which saw nearly twenty people undertake intensive training to allow them to work on a variety of fishing boats. These courses were welcomed by the local industry, with skippers actively engaging successful students immediately in employment.

The Engineering team engaged with the Energy Skills Partnership (ESP) particularly the wind energy network to help inform the section on future opportunities and partnership which will help the team develop future progression routes. One such activity was the development new programme of Energy Skills designed for S5 and S6 pupils. This course has been supported by UK Shared Prosperity Fund (STEM and Maritime Skills). Six school pupils accessed this programme in June 2023, and will continue into academic year 24/25.

## **SHETLAND UHI**

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#### **FOR THE YEAR ENDED 31 JULY 2024**

Engineering has proven a popular option locally with full NC classes and an additional class added to the Skills for Work course. We continued to engage with ECITB, running a funded scholarship programme for engineering students.

#### **Objective 2**

*The advancement of education by fostering links with Scotland, the UK and international learners, researchers and education providers to further the objects of the Shetland UHI to increase individual and collective knowledge and understanding, skills and expertise.*

Staff from around the UHI Shetland teaching and research teams have continued to create and deepen links with learners and researchers and education providers across Scotland, and further afield.

Members of Health Care & Society have worked with Scottish Qualifications Authority (SQA) to review qualifications. We have taken part in SQA pilot scheme looking at the role of direct observation with work-based qualifications. Team members have been part of the bank of markers for N5 and Higher qualifications. Some team members have been involved with nominee roles, which form part of the SQA quality assurance system.

The geographical area covered for Aquaculture students is extensive – from Unst to Anglesey including Scotland-wide delivery. This is a big challenge to undertake direct observations as sites are virtually all in very remote areas (i.e. where the growing conditions are favourable). UHI Shetland staff regularly visit learners across these sites in order to teach and share their skills and knowledge.

In activities across a variety of conferences, countries and audiences, UHI Shetland staff increased collective knowledge, skills and expertise throughout academic year 2023-24. Researchers from the Marine Spatial Planning (MSP) Team had a strong presence at the MASTS Annual Science Meeting in November 2023, with staff presenting research and leading research workshops. UHI Shetland participation continued at the MASTS Annual Science Meeting including a talk by Shaun Fraser on our ongoing flapper skate project.

UHI Shetland was represented at the World Fisheries Congress in March 2024 in Seattle, USA, where Dr Katie Brigden presented on the work undertaken within Scottish pelagic fisheries.

Trials of SmarTrawl device by UHI Shetland's research vessel *Atlantia* were showcased at the COP28 conference in the United Arab Emirates in December 2023 to distinguished guests including King Charles.

Shaun Fraser was invited to present and discuss his involvement with the SmarTrawl device to the Fisheries Innovation & Sustainability Board members and Scottish Government's Marine Directorate visitors at The National Robotarium in Edinburgh, April 2024.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

UHI Shetland was actively represented at the ICES Scallop Assessment Working Group and the 23rd International Pectinid Workshop in the Isle of Man. Leander Harlow presented at both events, showcasing the collaboration between UHI Shetland and the Shetland Shellfish Management Organisation (SSMO). These international links have facilitated knowledge exchange and collaboration with external organisations, strengthening research and educational outcomes.

Ian Napier was an invited speaker at the Seafish Fisheries Management and Innovation Group (FMIG) meeting on “UK Fishing Industry Response to External Pressures” in London (Fishmongers’ Hall) in October 2023.

Creative lecturers and researchers took an active part in seminars and symposia such as the University of the Arctic and the Shetland – Faroes Research Group. The team were also responsible for hosting the 2024 St Magnus Conference.

Dr Andrew Jennings from the Centre for Island Creativity ran a series of webinars called Yarns and Yarns, which bring together knitters and researchers from across the North Atlantic, to knit and talk together. This is an activity of the University of the Arctic Thematic network that he leads. [UArctic - University of the Arctic - Thematic Network on Northern and Arctic Island Studies Research](#)

Dr Jennings also organised a series of Royal Society of Edinburgh funded workshops in Orkney, Shetland and the Western Isles, called *Scottish Island Futures 2050 and Beyond*, where island issues were discussed. He established the Faroes Shetland Research Symposia in 2023. These are webinars where opportunities are explored for joint research between UHI Shetland and the Fróðskaparsetur Føroya. He also organised a number of research webinars called Islands Matter, which is a forum for exploring islands related research orientated around the UHI network.

Professor Roxane Permar was involved in an international collaborative project ‘Living in the Landscape 2024’. This is the fifth international and interdisciplinary arts-based research methods ‘school’ organised by the University of the Arctic’s thematic network Arctic Sustainable Art and Design (ASAD).

Malcolm Innes contributed to a panel presentation about the work of the Centre for Island Creativity for the International Island Studies Conference, Osaka, Japan. Malcolm hosted and contributed to a Creative Economy Knowledge Exchange public engagement event over two days in November 2023.

Malcolm Innes co-created and presented at a joint Creative Economy, Land & Communities and Tourism KE workshops for UHI staff and external partners, held in Inverness, May 2024.

UHI Shetland were delighted to welcome Professor Ray Hilborn (School of Aquatic and Fisheries Sciences at the University of Washington) who visited in April 2024 to launch the ‘UHI’s Centre for Sustainable Seafood’. Embracing Shetland’s pivotal role in the global seafood industry, the Centre for Sustainable Seafood sets its sights on international leadership in innovation and sustainability.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

The Centre for Sustainable Seafood draws on strong relationships and collaboration with a range of key stakeholders who work in the marine environment and their communities. Utilising the knowledge and expertise of these partners to co-create research, staff will gather data and inform policy that is grounded in real-world knowledge and experience. The Centre will also work with industry and stakeholders to develop new educational courses and tools to encourage a wider interest in the seafood sector and address gaps in skills and knowledge.

UHI Shetland received a significant grant from the UK Department of Environment, Food and Rural Affairs (DEFRA) to enhance our Maritime Bridge Simulator. This funding supported the upgrade of the simulator, a vital tool for providing training to both modern apprentices and experienced seafarers. The upgraded Maritime Bridge Simulator caters to the evolving needs of the maritime industry, addressing training standards such as Standards of Training, Certification and Watchkeeping (F), the workboat code, new routes to limited officer certificates of competency, the move towards paperless bridges and specific requirements of the local industry. By offering tailored training in these areas, UHI Shetland aims to bridge the skills gap and reinforce the capabilities of seafarers, ensuring they are equipped to meet the demands of the sector.

This project will play a pivotal role in facilitating training for entrants and experienced seafarers and staff within the aquaculture industry within a safe and controlled environment by reducing the need for initial training in challenging and less accessible locations, such as fishing vessels or fish farms, UHI Shetland will significantly enhance the safety and efficiency of maritime training. Furthermore, this initiative aligns with the broader goal of improving the sustainability of key maritime industries by increasing access to specialized training opportunities.

UHI Shetland remains dedicated to fostering innovation, improving industry standards, and creating a skilled workforce capable of navigating the challenges of the seafood sector.

### **Objective 3**

***To carry out and promote research relevant to industry, community development, the protection and sustainability of marine and coastal environments, arts, heritage and Shetland UHI culture; and to make evidence available to educate, provide training and promote best practice.***

Notable achievements of the Marine Spatial Planning team during Academic Year 2023-24 include:

- Ongoing work associated with maintaining Shetland Islands Regional Marine Plan with associated research projects and publications.
- Collaborative research to support the inclusion of diverse values into decision making via the Sustainable Management of UK Marine Resources (SSMR) programme Diverse Values Project, funded by the Natural Environment Research Council (NERC)
- Outreach programmes and events relating to blue carbon and marine protection
- Marine habitat mapping
- Communication of achievements via policy briefs

The Marine Spatial Planning team developed a series of policy briefs to facilitate knowledge exchange. They have participated in online seminars and workshops to provide learning opportunities from stakeholders, students and public e.g. 'Meet the Scientist'.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

Other research and stock assessment delivery to the Shetland Shellfish Management Organisation, which enabled them to continue implementation of their Fisheries Management Plans.

Our marine scientists continue successful on-going implementation of the Scottish Pelagic Industry-Science Data Collection Programme (SPISDCP), and other associated research activity in partnership with Scottish Pelagic Fishermen's Association (SPFA) and the Marine Directorate of the Scottish Government.

Staff also made contributions to international shellfish and demersal fish stock assessments through routine data collection under an MoU with the Marine Directorate.

Research undertaken by UHI Shetland's research vessel *Atlantia* during 2023-2024 includes:

- Field trials of innovative SmarTrawl system (November 2023) testing bycatch reduction device developed by Prof Paul Fernandes (Heriot Watt) using multiple underwater camera systems and involving overhead drone flights.
- Survey of sandeel stocks (April - May 2024) in areas east of Shetland (Noss and Mousa) in partnership with the Sea Mammal Research Unit (SMRU). Resulting data used to calculate catch rates and contributed to multiple research interests including projects on predator diet from stomach samples, biotoxins, stable isotopes, fatty acid analyses, chemical tracers, DNA analysis, and bomb calorimetry with partners at the University of St Andrews and University of Aberdeen.
- Fair Isle Inshore Fish Survey (July – August 2024) using scientific trawl and baited remote underwater video (BRUV) landers and trawls, expanded on coverage from previous years and trialled new pelagic drifting camera system developed by UHI Shetland.
- Shetland Inshore Fish Survey (August – September 2024) targeting demersal species and nursery grounds around Shetland as part of annual survey effort.

Ongoing data collection for the Scottish Marine Environmental Enhancement Fund (SMEEF) funded flapper skate research project "Flapper skate (*Dipturus intermedius*) in Shetland: a baseline assessment of population, distribution, movement, and critical habitats"

An acoustic survey was undertaken by Shaun Fraser of fish populations in Irish Sea as part of NERC-funded ECOWind-ACCELERATE project and using UHI Shetland's portable EK80 scientific echosounder aboard MV *Macoma* to understand the extent and implications of seabed impacts of offshore windfarms in May 2024.

Under an MoU with 'Shetland Fishermen' regular meetings and discussions have been held with Shetland Fishermen's Association and Shetland Fish Producer's Organisation and information provided, research and analyses undertaken on issues of concern to the local fishing industry.

A successful application was made to the UK Seafood Fund for a project "Data collection and research on the Ling fishery".

Shaun Fraser was invited to present to the Fair Isle Marine Research Organisation and community on the results from Fair Isle Inshore Fish Survey and related flapper skate tagging work in Fair Isle in January 2024.

## **SHETLAND UHI**

### **REPORT OF THE TRUSTEES AND STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 JULY 2024**

A number of new and ongoing projects such as the BBSRC Aqua-Plankton, SAIC Plankton-Predict and Aquaculture Hub have supported research relevant to industry.

- UHI Aquaculture Hub - met or exceeded all 23/24 targets, website overhaul ([www.uhi.ac.uk/aquaculture](http://www.uhi.ac.uk/aquaculture)), development of A3 Scotland conference, launched Aquaculture Student Support Scheme, ran Aquaculture Industry Engagement Fund and Challenge Fund,
- Further development of ThX (sea lice therapeutant)
- Marine Hatchery prepared for tenant
- SAIC HABs – work package on target for completion in 24/25

These activities and key meetings saw UHI Shetland staff engage with others around the sustainability of marine environments, with meetings around the following areas and themes.

- Addressing Aquaculture Challenges, Supporting Solutions – industry workshop
- Association of Scottish Shellfish Growers Conference
- Aquaculture UK
- European Imaging Flow Cytobot Users
- World Water Day
- Scottish Affairs Committee, Islands Deal Projects
- OneHealth Workshop
- 1 x PhD (year 2), included presentation at International Conference for Harmful Algae, Hiroshima

Members of the Creative and Cultural Industries section engaged in a wide range of research activity both locally and internationally. Staff were involved in collaborations with partners in industry and other academics around the UK and further afield. Significant research activities included participation in fieldwork projects, presentation of papers at conferences and publication of papers and journal articles on creative practice, sustainable development in rural and island contexts, teaching practice and heritage management.

Roxane Permar exhibited her work at

- New Genre Arctic Art and Education. Landscape in Pain 1446. Arctic Congress. May and June 2024 - <https://www.nord.no/en/news/exploring-the-cultural-programme-at-arctic-congress-bodo-2024#:~:text=>
- Cold War Scotland - National Museum of Scotland, Edinburgh. Ten photographs produced in collaboration with Susan Timmins (Cold War Projects - the name of our collaboration) are included in the exhibition. <https://www.nms.ac.uk/exhibitions-events/exhibitions/national-museum-of-scotland/cold-war-scotland/>
- Living in the Landscape 2024, an international and interdisciplinary arts-based research methods 'school' organised by the University of the Arctic's thematic network Arctic Sustainable Art and Design (ASAD), in Rovaniemi and Arctic Finland.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

UHI Shetland researchers have been involved in producing numerous publications over 2023/24

*Journal of Fish Biology* utilising data from Shetland Inshore Fish Survey:

- **McAllister, M., Fraser, S., and Henry, L.A.**, 2023. Population ecology and juvenile density hotspots of thornback ray (*Raja clavata*) around the Shetland Islands, Scotland. *Journal of Fish Biology*. 2023: 1-14. <https://doi.org/10.1111/jfb.15610>
- **Shucksmith and Withouck** (2024) Barriers and opportunities for improved governance of fisheries within the context of marine spatial planning. In: *Governing Oceans* Publisher: Edward Elgar Publishing
- **Withouck I, Tett P, Doran J, Mouat B, Shucksmith R** (2024) A value tree approach to integrate policy and legislation into spatial decision support tools for siting offshore renewables. In: *Governing Oceans* Publisher: Edward Elgar Publishing
- **Riley, T.G.**, Shucksmith, R., and Mouat, B., (2024). Distribution modelling of the benthic habitats within the Fair Isle Demonstration and Research Marine Protected Area. *UHI Shetland report*. p36
- **Riley, T.G.**, Shucksmith, R., and Mouat, B. (2024). Distribution modelling of the Shetland Islands benthic habitats. *UHI Shetland report*. P91.

The UHI STEM Outreach Programme contributes to the Shetland STEM network and works with other agencies involved in STEM outreach to support and coordinate local plans and activities. These STEM partners inform and enhance the activities, providing inspirational experiences towards STEM skills and careers aligned with business needs and economic growth in the local area as well as continuing to address equity of opportunity, with rural and gender as particular areas of focus.

A [STEM hub platform](#) has also been created which aims to provide clarity to local teachers on the different resources available from the various STEM partners. It hosts the STEM engagement data collected by the partners to allow for targeted planning and equitable access to future opportunities across the schools in Shetland.

Through the UHI STEM Outreach Programme, 122 STEM engagement activities and events have been conducted between 1<sup>st</sup> August 2023 and 31<sup>st</sup> July 2024. This includes the delivery of 103 “lend a lab” activities in schools and early years settings across Shetland. These are curriculum linked resources designed by the UHI covering topics such as engineering, construction, computer science, environmental science, and life sciences for children learning at early to second level Curriculum for Excellence. The programme was also able to support 11 school activities led by Skills Development Scotland and 8 events which were planned and delivered in collaboration with the Shetland STEM network, 3 of which were held on the UHI Shetland campus. In total, this represents almost 2600 individual engagements with school children and the public, over 600 of these being on campus interactions.

Independent of this, funded by the UK Seafood fund and developed in collaboration with the IMTEL lab of NTNU in Trondheim, creation of a virtual reality aquaculture simulator has allowed for engagement of 130 school children with the salmon farming industry in Shetland. The immersive and interactive content has been able to support the delivery of the Skills for Work and senior phase aquaculture courses for pupils in S3 to S6, in addition to primary school and early high school engagement.



## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

Curriculum-linked learning units are being developed to integrate the technology into a course which will improve meta skills and employability skills and focus on STEM outcomes such as numeracy, biology, sustainability, and technology.

### **Objective 4**

*To promote, protect, conserve, rehabilitate and improve the marine and coastal environment, including all animal and plant life, in the Shetland Islands and elsewhere.*

Notable achievements by the marine planning team during the reporting period include:

- Mapping of seagrass beds using drones by the marine planning team
- Monitoring for non-native species which can impact marine life
- Monitoring of porpoise distribution as part of an ongoing PhD project
- Habitat distribution modelling to guide marine industries and activities
- Creation of displays, exhibitions and promotional material to highlight Shetland's important blue carbon habitats

### **Objective 5**

*To prevent and relieve poverty, and in particular, among residents of the Operating Area and other areas of Scotland, the UK and internationally, by facilitating accessible learning opportunities and imparting skills, and life skills, which enable learners to secure employment and contribute to their community.*

The Health, Care and Society team have identified and supported our students to access placements which have led to relief and part time work opportunities. This has supported some students to 'earn as they learn'. Where possible we have reviewed and adapted courses to make them fully online, meaning that students are able to fit their learning around work. We have embedded theme of 'poverty' and the wider social implications of this into care and social services courses.

The Community Learning and Business section facilitated the New Directions programme designed to encourage adult returners to education, particularly those with limited prior attainment and a poor experience of statutory education a bridge to retraining and further qualifications. The programme aims to raise participants core skills in numeracy, IT and communication and offer taster sessions in Art and Design, Construction and Hospitality that would encourage them to return for a more substantial full or part time group award. Other introductory courses that offer life skills and core/employability skills to support learners with additional learning needs, to contribute to their community and gain employment include Lifeskills Courses and Access to Core Skills.

UHI Shetland offers a wide range of learning options at our Learning Centres around the Shetland Isles. These places are remote isles, or areas that are not easily accessible to the main campuses located in Lerwick and Shetland. This means that people can access learning and employability related qualifications in their community. The availability of this learning locally reduces fuel poverty, increases confidence, knowledge and skills and helps to enable the local population to be digitally included, secure employment, volunteer confidently and contribute to community groups.



## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

Working with SIC Bridges in the areas of Computing and Construction, the Technology, Maritime and Built Environment section hosted 11 students. While there were staffing challenges to deliver the computing course the students that engaged throughout passed giving a combined success rate of over 60%. Progression for this group is worthy of significant note, we are pleased to report bridges students from this year's classes have enrolled on NQ Interactive Media & Computing, HNC Computing and Modern Apprenticeship Carpentry & Joinery.

Student Support has been working to provide a food cupboard for students in partnership with the local foodbank. Again, in liaising, student support has assisted in the provision and promotion of free breakfasts available to students. The college has been promoted as a warm space for students to study.

Student support is offered to students who access their learning online and therefore can be from anywhere, geographically. Some of the apprentices come to Shetland for the training from elsewhere – e.g. Aquaculture, Engineering, Deck and Engine Rating.

We continued our collaboration with Scottish and Southern Energy (SSE) and 3DW in offering STEM opportunities to secondary pupils. We hosted the events and worked with the schools and 3DW to have a chance to create virtual windfarms and develop team working skills.

### **Objective 6**

***To relieve unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.***

UHI Shetland fully engaged in the Shetland Local Employability Partnership.

Apprenticeships continue to be an area of success for UHI Shetland. In contract year 23/24, we worked with 66 local businesses and achieved 176 new apprenticeships starts in a variety of different disciplines and our achievement rate was at 83% (Skills Development Scotland target of 75%). We responded to SDS's tender for a new contract and were awarded a slight increase of 183 starts and an increase in value from £556,031 to £564,982.

Demand is particularly strong in Food and Drink (including Aquaculture), Health and Social Care and Engineering.

UHI Shetland has developed very effective partnership working, with a wide range of public / employability related support agencies, over a long number of years. These include:

- Skills Development Scotland
- Youth and Employability Services (Employability Pathway)
- Moving on Project
- Bridges Project
- Jobcentre Plus / DWP
- CAB
- Developing the Young Workforce (DYW)

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

Work placement has been made a core activity across many of our courses in order to give our students the best chance of employment following completion. Our care, healthcare and ELC courses have been mapped to the national occupational standards of jobs roles within the sectors.

As detailed for objective 5 the New Directions course offers a route into learning for those with no or few qualifications. As well as the opportunity to gain confidence and qualifications in core skills, up to SCQF level 6, the course includes a programme of taster / support sessions for the students.

As detailed for objective 5, UHI Shetland offers a wide range of learning options at our Learning Centres around the Shetland Isles. They allow individuals the means to access learning and employability related qualifications in their community. The learning centres provide a broadband connection and access to relevant websites relating to gaining employment e.g. myjobscotland and DWP, as well as support with job search skills such as developing CV's, interview skills and completing job applications.

We worked collaboratively with SDS and Developing the Young Workforce in reinstating the Shetland Careers Fair on 3 October 2023. This was a very popular event with over 800 attendees. We were on the organising committee and attended as one of the exhibiting learning providers. We also took part in DYW's *Local Opportunities Day* in February 2024 where we were able to speak with schools, employers and interested parties about our educational and vocational opportunities, as well as our new senior phase offer to S5 and 6 pupils.

### **Objective 7**

***To advance citizenship and community development (including through the promotion of trade and commerce), wellbeing, inclusion, citizenship and community development.***

Counselling and listening skills have been embedded in our hairdressing, nursing, social care and health & wellbeing courses. These skills are important for fostering wellbeing, inclusion and supporting member of the wider community.

Notable achievements by the marine planning team during the reporting period to promote citizenship include:

- Engaging communities in the mapping of seagrass beds using drones by the marine planning team
- Engaging communities in the monitoring of porpoise distribution as part of an ongoing PhD project
- Creation of displays, exhibitions and promotional material to highlight Shetland's important blue carbon habitats

Creative and Cultural Industries teaching includes modules such as Managing Archaeology for Contemporary Society which explores themes of sustainability, respect for other cultures / ethnicities / genders, responsibilities and rights of different societal groups with regard to cultural heritage management.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

The college supports adults with special educational needs from the Eric Gray Service to express themselves through art and develop their core and life skills. Sixteen young people completed supported courses in hospitality and art, alongside core and life skills. At the end of the year a public exhibition of these students' work was made at Shetland Museum.

We restarted the Try Something Different Day in November 2023 after the Covid pandemic. We had 11 pupils take part: 8 female, 2 males and 1 non-binary. They took part in a variety of placements in the Shetland Islands Council including Engineering, Construction, Automotive, Care and Childcare.

A quiet room has been established in the Lerwick campus so that students are able to have a space for recovery. It is also aligned with the Trauma Informed approach. Two trauma informed champions from staff have been trained and the college has worked with CDN to develop a trauma informed action plan.

Trainers were brought up to deliver ASSIST – suicide prevention training - which was available to UHI staff to help staff deal with disclosures of suicide.

We have retained our student counsellor and this year 149 sessions were held with students. We supported a student counsellor to help them gain experience for their HND.

### **Objective 8**

***To advance the arts, heritage and culture; of all aspects of island and sea-going life.***

The Creative and Cultural Industries section offers programmes of study in the humanities visual and performing arts from Skill for Work to PhD level. A variety of modes of study are available face to face and through online and Virtual Classroom (VC) mediated classes, available full and part time. Shetland based staff both support network delivery from other campuses across our UHI partnership and themselves teach their specialisms to remote students as well as supporting local face-to-face teaching, particularly practical elements like fieldwork, and hands on making in creative workshops.

Students' output is showcased in an end of year show at the Lerwick campus as well as external exhibitions at the Shetland Museum and the Textiles Museum and student film and music presentations at Mareel. BA (Hons) Fine Art graduate Keith Massey has been externally recognised at a national level with him winning a New Graduate Award from the Society of Scottish Artists (SSA). This prestigious award gives Keith the opportunity to display his selected artwork in one of the most high-profile exhibitions in Scotland, later this year at the SSA's Annual Exhibition, at the Royal Academy, Edinburgh.

### **Objective 9**

***To promote, establish, operate and/or support other similar schemes and projects which further charitable purposes.***

We appointed our STEM coordinator who has taken STEM learning to primary schools. We have also engaged with SMART STEM and hosted an event for primary schools in our Scalloway campus. Some of our sections participated and provided some engaging STEM activities for young learners.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

UHI Shetland have engaged with the local community by hosting a number of events for local people and school children; with events such as Space Day in November and our successful collaboration with Dynamic Earth in March to encourage people to come onto campus, have an enjoyable learning experience and have engagement with us as a college.

Over 2023/24, eight events have been hosted in partnership with organisations including Dynamic Earth, SmartSTEMs, Stemovators, DYW, Skills Development Scotland, and SaxaVord Space Port.

The collaboration event ‘*Shetland to the Stars*’ with Dynamic Earth was a particular crowd pleaser. The event, designed to engage and entertain families in all things space and science, saw an overwhelming response, with over 300 enthusiastic participants joining the festivities. From captivating hands-on activities to awe-inspiring exhibits, the event showcased the wonders of science and astronomy in an accessible and engaging manner.

Aquaculture, construction, engineering and maritime staff were involved in the STEM event in April for P7s. It was a very successful event with 97 school children from a variety of Shetland schools involved. The pupils had lots of fun exploring not only the subjects on offer at UHI including a hands-on taster of our engineering, aquaculture, maritime, and construction departments, but also opened their eyes to the vast array of STEM career opportunities available in Shetland.

### **Objective 10**

#### ***To act as an Academic Partner with UHI as Regional Strategic Body.***

UHI Shetland acts as an academic partner with UHI as Regional Strategic Body in a number of ways. Staff and students engage with UHI across the region. Ranging from Partnership Council which the Shetland UHI Principal attends, to formal and informal meetings, practitioners’ groups and training for staff around the partnership.

At a strategic level we have participated fully in the activity linked to UHI 2024 transformational change programme.

UHI Shetland contributes to networked courses, and research and knowledge partnerships with other academic partners around the UHI.

UHI Shetland activity feeds into the achievements sought in the Regional Outcome Agreement for the Highlands and Islands set by the Scottish Funding Council.

### **Objective 11**

#### ***To collaborate with public bodies and other academic partners of UHI, to advance and support services, strategies, plans and projects to meet the needs of the Shetland Islands population and environment.***

This year we have had ongoing collaboration with SIC and NHS Shetland in terms of supporting the Shetland workforce. There is a national shortage of workers in health and social care, and we work collaboratively with these public bodies to support and develop the workforce.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

By embedding placement activities in all areas of delivery, we are helping to meet the needs of Shetland workforce and population. Our continued provision in this area helps to support and enhance standards of care across Shetland.

The Creative and Cultural Industries section works closely with UHI partners to provide access to a wide range of Arts and Humanities courses and also contributes actively to teaching provision in BA Film Making in the Highlands and Islands, BA and MLitt Archaeology, MLitt British Studies, BA Fine Art, MLitt Music and the Environment.

The Maritime department welcomed Maritime Coastguard Agency (MCA) team to Scalloway campus to complete their main audit, this was a positive experience giving the team valuable experience and knowledge of current best practice. The team benefitted from guidance developing courses including Navigation Aids and Equipment Simulator Training at management level, which links to two other deck officer programmes.

UHI Shetland is represented on the Board of Developing the Young Workforce Shetland, and we are part of the Shetland Partnership Group. Our Head of Student Experience is also a Board member of Scottish Training Federation to ensure that our voice is represented at a national level.

**Island Strategy:** Shetland UHI is a key partner in the delivery and development of UHI's refreshed [Islands Strategy](#), which seeks to underpin the University's work with local communities to contribute positively to sustainable development, the transition to net zero carbon emissions, supporting local businesses, talent attraction and retaining island populations.

**Islands Deal:** Shetland UHI contributed strongly to the further development of several Islands Deal projects including Shell-volution, TalEntEd, Creative Islands Wellbeing and is leading on the Shetland campus redevelopment project for which the outline business case has been approved and the full business case is under development.

**Shetland Islands Marine Planning partnership:** UHI Shetland and the Shetland Islands Council together form the Shetland Marine Planning Partnership (SMPP) (under delegated authority from Scottish Ministers). The SMPP is responsible for developing the Shetland Islands Regional Marine Plan, a statutory document which directs marine developments within Shetland's marine waters out to 12 nautical miles, ensuring sustainable use of the marine environment. In addition, the SMPP have developed an implementation strategy to improve compliance with the aims and objectives of the plan.

**CLD Partnership:** Shetland UHI are a member of the local CLD partnership. This group is tasked with ensuring the people of Shetland have access to the CLD support they need, and to ensure the outcomes and actions in the latest CLD plan. The priorities of the 2021-24 Shetland CLD plan are Covid-19 recovery and renewal, community resilience, participation and poverty and inclusion.

**Shetland Partnership Group:** Alongside other local stakeholders, Shetland UHI is a signatory to Shetland's Partnership plan and Shetland's Islands with Small Populations – Locality Plan. This year has seen active contribution to activities linked to a variety of topics including working towards a compassionate Shetland and Climate Change Strategy.

## **SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024**

UHI Shetland is a member of the Shetland Partnership Climate Change Steering Group, tasked with formulating and driving forward the creation of a shared Shetland wide strategic climate change strategy.

**Developing Young Workforce (DYW) Board** – UHI Shetland sits on the board of DYW and contributes to the achievement of its objectives through working collaboratively with industry to help secure work-based learning opportunities. UHI Shetland has worked collaboratively with key contacts and helped with the organisation of the DYW Spring conference for example where employers, educators and young people discussed issues relating to employment and educational opportunities.

**Shetland Energy Transition Skills Group.** UHI Shetland leads and chairs the Shetland Energy Transition Skills Group, a collaborative planning body established to support the transition to clean energy and expansion of green jobs. UHI Shetland recognises its responsibilities as a public body to reduce greenhouse gas emissions. The website can be [viewed here](#).

**Shetland Space Education Employment and Skills Pipeline:** We support this group through committee and educational activity. We regularly met with SaxaVord UK spaceport team and SIC education colleagues to develop a programme of activity to support the opportunities of young people.

**Shetland Oil Terminal Advisory Group (SOTEAG):** SOTEAG examines and advises on all environmental implications surrounding the Sullom Voe Terminal during construction, commissioning and operations (including ad hoc reconstruction, site rehabilitation and new developments), through to eventual decommissioning. We contribute to this group through committee membership.

Approved by order of the members of the Board of Management on 11 December 2024 and signed on its behalf by:

Name: David Sandison  
Chair

Name: Professor Jane Lewis  
Principal and CEO



# **SHETLAND UHI**

## **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

### **FOR THE YEAR ENDED 31 JULY 2024**

#### **The UHI Shetland Board of Management**

UHI Shetland is managed by a **Board of Management** which includes independent directors as well as staff and student-nominated directors. The company set up to manage UHI Shetland is constituted as a charitable company and directors have the duties of both company directors and charity trustees. The Board of Management is responsible for the management of UHI Shetland. Board members (directors) include independently appointed directors as well as directors appointed by staff and students. Board members also serve on one or more of Board's committees. The appointment of the members of the UHI Shetland Board of Management (directors) is governed by the Articles of Association of UHI Shetland Ltd, which includes the eleven charitable aims.

#### **Chair**

The chair of the Board was appointed following open (public) recruitment managed by the Board's Search and Nominations Committee.

#### **Executive Director**

The Principal of UHI Shetland.

#### **Independent (Non-Executive) Directors**

Independent (non-executive) directors are appointed following open (public) recruitment managed by the Board's Search and Nominations Committee. In addition, two independent directors with specific experience of the fishing and seafood industries can be nominated by relevant industry associations ([Seafood Shetland](#) and the [Shetland Fishermen's Association](#)).

#### **Staff Directors**

Two staff directors are elected by staff of UHI Shetland: one by teaching (academic) staff and one by non-teaching (support) staff.

#### **Student Directors**

One local student director was appointed. One regional student director was appointed (Vice President Education of the Highlands and Islands Student Association).

#### **Committees**

The Board of Management of UHI Shetland has delegated responsibility for specific aspects of the management of the college to separate committees. This enables the Board to operate effectively and ensure that it meets the requirements of an assigned college of the University of the Highlands and Islands and the *Code of Good Governance for Scotland's Colleges*.

#### ***Committees include:***

- Audit Committee
- Finance and General Purposes Committee
- Human Resources and Remuneration Committee
- Learning, Teaching and Research Committee
- Search and Nominations Committee

**SHETLAND UHI**  
**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**  
**FOR THE YEAR ENDED 31 JULY 2024**

**Members of the Board of Management**

Maria Bell	Independent Director
Claire Christey	Independent Director, Vice Chair of Audit Committee, Chair of Audit Committee
Simon Clarke	Teaching Staff Director
Lauren Doughton	Independent Director, Chair of Audit Committee
John Goodlad	Independent Director
Karen Hall	Independent Director, Chair of Learning, Teaching and Research Committee
Graeme Howell	Independent Director, Vice-Chair of the Board of Management, Senior Independent Member, Chair of Finance and General Purposes Committee, Vice-Chair of Search and Nominations Committee
Jane Lewis	Executive Director, Principal and Chief Executive
David Sandison	Independent Director, Chair of the Board of Management, Chair of Search and Nominations Committee, Interim Chair of Human Resources and Remuneration Committee
Valerie Nicolson	Independent Director
Angela Sutherland	Non-Teaching Staff Director (resigned 13 <sup>th</sup> December 2023)
Samuel Wyeth	Non-Teaching Staff Director (appointed 13 <sup>th</sup> December 2023, resigned 31 <sup>st</sup> May 2024)
Susan Beer	Student Director (appointed 29 <sup>th</sup> March 2023, resigned 28 <sup>th</sup> September 2023)
Daniel Lawson	Independent Director (appointed 4 <sup>th</sup> October 2023)
Gary Souter	Student Director (appointed 4 <sup>th</sup> October 2023, resigned 30 <sup>th</sup> June 2024)
Keith Massey	Student Director (appointed 17 <sup>th</sup> January 2024, resigned 14 <sup>th</sup> November 2024)
Brian Smith	Independent Director (appointed 26 <sup>th</sup> June 2024)
Mark Green	Independent Director (appointed 25 <sup>th</sup> August 2024)
Harley Green	Student Director (appointed 23 <sup>rd</sup> August 2024)
Amanda Hawick	Independent Director (appointed 25 <sup>th</sup> August 2024)
Selina-May Miller	Non-Teaching Staff Director (appointed 9 <sup>th</sup> October 2024)



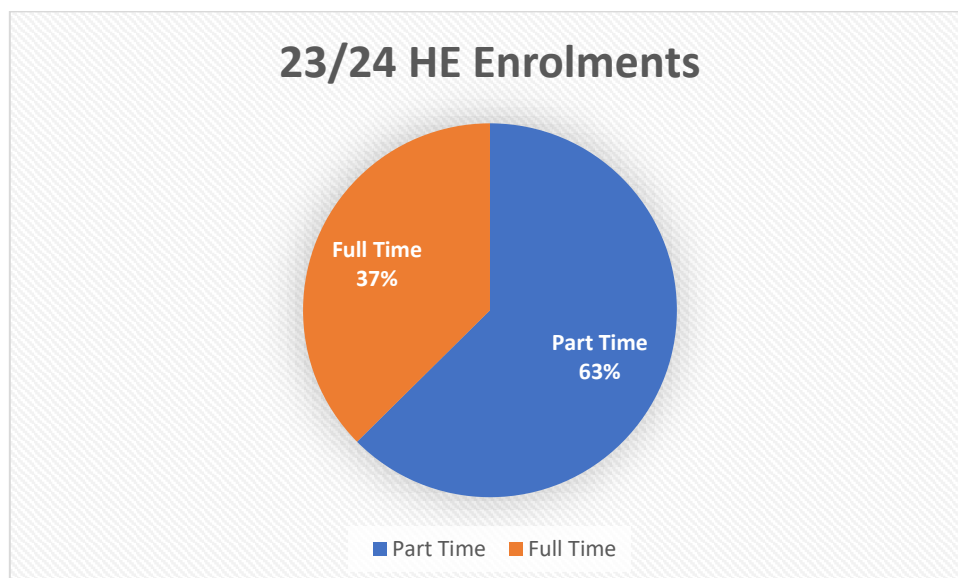
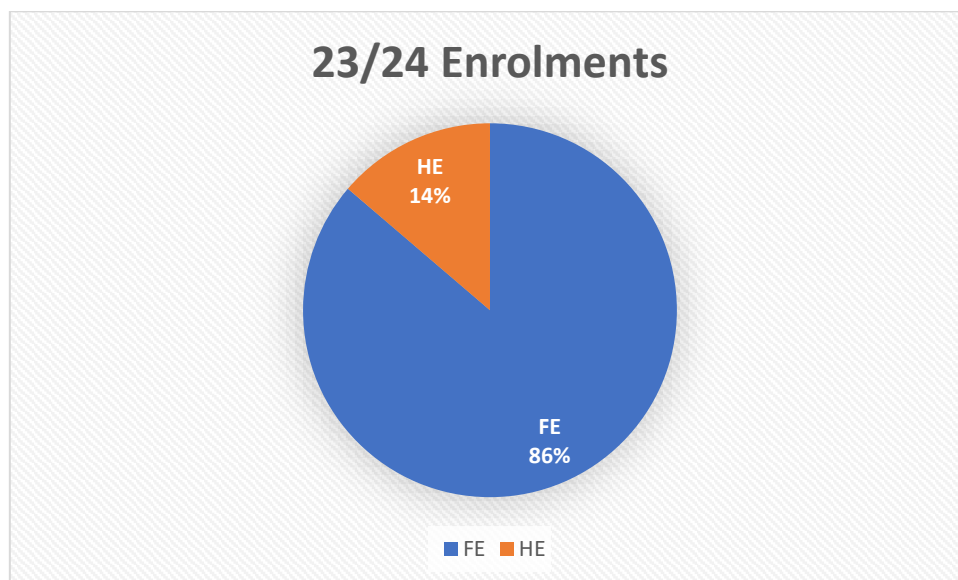
**SHETLAND UHI**  
**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**  
**FOR THE YEAR ENDED 31 JULY 2024**

The Board and its sub-committees met on a quarterly cycle in academic year 2023/2024:

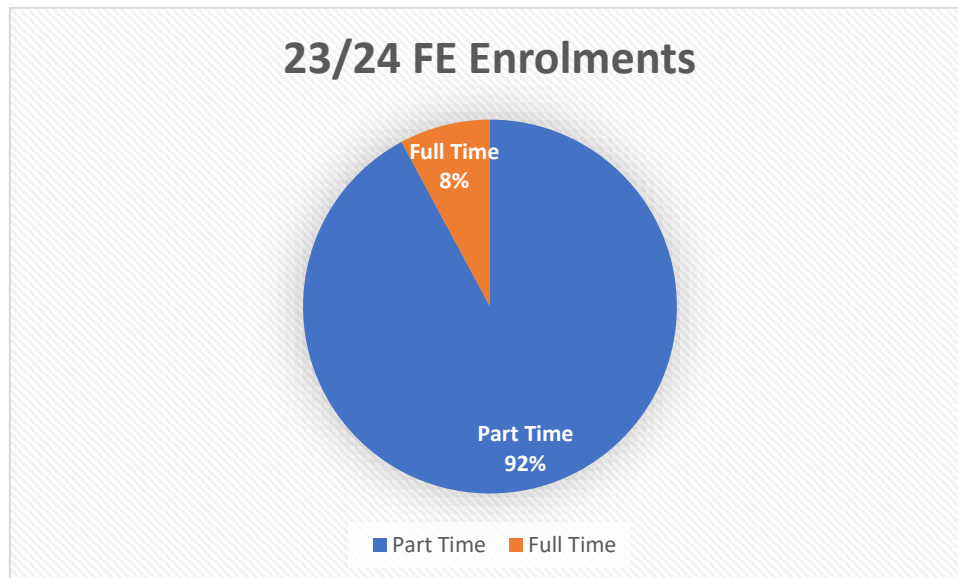
23/08/2023	Search and Nominations Committee
06/09/2023	Learning, Teaching and Research Committee
13/09/2023	Audit Committee
20/09/2023	Finance and General Purposes Committee
27/09/2023	Human Resources and Remuneration Committee
04/10/2023	Board of Management
01/11/2023	Search and Nominations Committee
08/11/2023	Human Resources and Remuneration Committee
15/11/2023	Learning, Teaching and Research Committee
22/11/2023	Finance and General Purposes Committee
29/11/2023	Joint Audit and Finance and General Purposes Committee
29/11/2023	Audit Committee
02/12/2023	Board of Management Workshop
13/12/2023	Annual General Meeting (AGM)
13/12/2023	Board of Management
07/02/2024	Human Resources and Remuneration Committee
17/02/2024	Board of Management Workshop
21/02/2024	Learning, Teaching and Research Committee
06/03/2024	Audit Committee
20/03/2024	Finance and General Purposes Committee
27/03/2024	Board of Management
08/05/2024	Human Resources and Remuneration Committee
15/05/2024	Search and Nominations Committee
16/05/2024	Extraordinary Board of Management
29/05/2024	Learning, Teaching and Research Committee
05/06/2024	Audit Committee
08/06/2024	Board of Management Workshop
12/06/2024	Finance and General Purposes Committee
19/06/2024	Extraordinary Search and Nominations Committee
28/06/2023	Board of Management

**SHETLAND UHI**  
**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**  
**FOR THE YEAR ENDED 31 JULY 2024**

**Summary of student numbers**



**SHETLAND UHI  
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL  
FOR THE YEAR ENDED 31 JULY 2024**



- Student full time FE numbers were up 50% on the previous years.
- UHI Shetland exceeded the FE credit target by 22.5% and met our HE Undergraduate (Home Fees Status) FTE target.

Approved by order of the members of the Board of Management on 11 December 2024 and signed on its behalf by:

Name: David Sandison  
Chair

Name: Professor Jane Lewis  
Principal and CEO

## **SHETLAND UHI STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31 JULY 2024**

The Board of Management, through its Principal, is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the College and the result for that year.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Companies Acts, the Statement of Recommended Practice on Accounting for Further and Higher Education 2019 and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between UHI and the College's Board of Management, the College is required to prepare financial statements for each financial year which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

The financial statements are prepared in accordance with the Accounts Direction issued by the Scottish Funding Council, which brings together the provisions of the Financial Memorandum and other formal disclosures that the Scottish Funding Council require the Board of Management to make in the financial statements and related notes.

In preparing the financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 assume that the College will continue in operation. The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Management has taken reasonable steps to:

- Ensure that funds from the Scottish Funding Council and UHI are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with UHI and any other conditions which Scottish Funding Council or UHI may from time to time prescribe;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds from other sources;
- Safeguard the assets of the College and prevent and detect fraud;
- Secure the economical, efficient, and effective management of the College's resources and expenditure.

Approved by order of the members of the Board of Management on 11 December 2024 and signed on its behalf by:

Name: David Sandison  
Chair

Name: Graeme Howell  
Vice-Chair

# **SHETLAND UHI INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SHETLAND UHI**

**FOR THE YEAR ENDED 31 JULY 2024**

## **Opinion**

We have audited the financial statements of Shetland UHI College (the charitable company) for the year ended 31 July 2024 which comprise the Statement of Financial Activities (incorporating an income and expenditure account), the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 July 2024, and of the College's surplus for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **Basis for opinion**

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 College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not

**SHETLAND UHI  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF  
SHETLAND UHI**

**FOR THE YEAR ENDED 31 JULY 2024**

**Other information (continued)**

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. In connection with our audit of the financial statements. 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 and Charities Accounts (Scotland) Regulations 2006**

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

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Operating and Financial Review have 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 report of the trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Scottish Funding Council Accounts Direction require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for the audit.
- The Statement of Corporate Governance and Internal Control does not comply with Scottish Funding Council Requirements.

## **SHETLAND UHI**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SHETLAND UHI**

**FOR THE YEAR ENDED 31 JULY 2024**

#### **Responsibilities of directors**

As explained more fully in the Director's Responsibilities Statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of 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 Directors are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and knowledge of the charitable company to identify or recognise non-compliance with applicable laws and regulations.

#### **Extent to which the audit was considered capable of detecting irregularities including fraud**

We identified relevant laws and regulations from our general commercial and sector experience and through discussions with directors and other management to assess the policies and procedures in operations with regards to compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the charitable company operates and identified the key laws and regulations that:

## **SHETLAND UHI**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SHETLAND UHI**

#### **FOR THE YEAR ENDED 31 JULY 2024**

- Have a direct effect on the determination of material amounts and disclosures in the financial statements. These included compliance with FRS102, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019, the Scottish Funding Council Accounts Direction, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and relevant UK tax legislation.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's continued ability to operate or to avoid a material penalty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation; and
- Enquiring of management and reviewing board minutes and other correspondence throughout the year to identify actual and potential litigation and claims.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Using analytical procedures to identify any unusual or unexpected relationships,

We assessed the level of fraud risk and concluded that the areas most susceptible to fraud were revenue recognition and management override of internal controls.

To address the risk of fraud through incorrect revenue recognition, we:

- Performed substantive procedures across material revenue streams to ensure these amounts were recognised appropriately and
- Performed substantive tests of detail over revenue recognised at the year end.

To address the risk of fraud through management override of controls, we:

- Tested journal entries recorded on the charitable company's finance system to identify unusual transactions that may indicate override of controls. In testing these journals we looked at the following areas:
  - Depreciation;
  - accruals and deferred income;
  - prepayments; and
  - pension accounting.
- Reviewed key judgements and estimates for any evidence of management bias.



## **SHETLAND UHI**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SHETLAND UHI**

#### **FOR THE YEAR ENDED 31 JULY 2024**

#### **Extent to which the audit was considered capable of detecting irregularities including fraud (continued)**

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or noncompliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006.

Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Scott Gillon FCCA, CA  
(Senior statutory auditor)  
For and on behalf of Wbg (Audit) Limited  
Statutory Auditor  
Glasgow

Date: 11 December 2024

*Wbg (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

## SHETLAND UHI

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2024

		2024 £'000	2023 £'000
	Note		
<b>Income</b>			
Funding council grants	3	3,712	4,632
Tuition fees and education contracts	4	1,532	1,555
Other grants and contracts	5	1,033	775
Other income	6	467	417
Investment Income	7	194	-
<b>Total Income</b>		<b>6,938</b>	<b>7,379</b>
<b>Expenditure on:</b>			
Staff costs	8	6,238	6,081
Other operating expenses	9	1,880	1,860
Depreciation	13	100	104
Interest and other finance costs	10	4	20
<b>Total Expenditure</b>		<b>8,222</b>	<b>8,065</b>
<b>(Deficit) before other gains and losses</b>		<b>(1,284)</b>	<b>(686)</b>
Actuarial (loss)/ gain in respect of pension schemes	20	(197)	587
<b>Total Comprehensive Expenditure for the year</b>		<b>(1,481)</b>	<b>(99)</b>
<b>Represented by:</b>			
Unrestricted comprehensive (expenditure) for the year		(1,481)	(99)

The notes on pages 38 to 53 form part of these financial statements.

## SHETLAND UHI

### STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2024

	General Reserve £'000	Total £'000
<b>Balance at 31 July 2022</b>	(962)	(962)
Surplus/(deficit)from the income and expenditure account	(686)	(686)
Other comprehensive income	587	587
<b>Balance at 31 July 2023</b>	<u>(1,061)</u>	<u>(1,061)</u>
 <b>Balance at 31 July 2023</b>	 (1,061)	 (1,061)
Surplus/(deficit)from the income and expenditure account	(1,284)	(1,284)
Other comprehensive income	(197)	(197)
Transfers between revaluation and income and expenditure reserves	-	-
<b>Total comprehensive income for the year</b>	<u>(1,481)</u>	<u>(2,542)</u>
 <b>Balance at 31 July 2024</b>	 <u>(2,542)</u>	 <u>(2,542)</u>

## SHETLAND UHI

### STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	Note	2024 £'000	2023 £'000
<b>Fixed assets:</b>			
Tangible assets	13	536	401
<b>Total Fixed Assets</b>		536	401
<b>Current assets:</b>			
Stocks	14	1	1
Debtors	15	495	532
Cash at bank and in hand	16	1,266	342
		1,762	875
<b>Liabilities:</b>			
Creditors falling due within one year	17	(4,482)	(2,151)
<b>Net Current Liabilities</b>		(2,720)	(1,276)
Creditors falling due after more than one year	18	(358)	(186)
<b>Provisions:</b>			
Defined benefit pension scheme liability	20	-	-
<b>Net Liabilities</b>		(2,542)	(1,061)
<b>Unrestricted Funds:</b>			
Unrestricted reserves		(2,542)	(1,061)
<b>Total reserves</b>		(2,542)	(1,061)

The notes on pages 38 to 53 form part of these financial statements.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the Trustees and signed on their behalf by:

Name: David Sandison  
Chair

Date: 11 December 2024

Name: Graeme Howell  
Vice-Chair

**Company No: SC646337**

# SHETLAND UHI

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2024

	Note	2024	2023
		£'000	£'000
<b><i>Cash flows from operating activities:</i></b>			
(Deficit) for the year		(1,284)	(686)
<b>Adjustment for non-cash items</b>			
Depreciation		100	104
(Increase) in stocks		-	(1)
Decrease in debtors		37	354
Increase/ (Decrease) in creditors due within one year		272	(15)
Increase in creditors due after one year		172	-
Net pension costs – post FRS102 adjustments		(197)	283
Interest payable		4	4
Taxation		-	-
Interest receivable		(6)	-
<b>Net cash (used in)/ provided by operating activities</b>		(902)	43
<b><i>Cash flows from investing activities:</i></b>			
Purchase of tangible fixed assets		(235)	(60)
<b>Net cash (used in) investing activities</b>		(235)	(60)
<b><i>Cash flows from financing activities:</i></b>			
Interest payable		(4)	(4)
Advance in funding		2,295	1,250
Funding paid to UHI		(236)	(1,256)
Interest received		6	-
<b>Net cash provided by/ (used in) financing activities</b>		2,061	(10)
<b>Change in cash and cash equivalents in the year</b>		924	(27)
Cash and cash equivalents brought forward		342	369
<b>Cash and cash equivalents carried forward</b>		1,266	342

## **SHETLAND UHI**

### **CASH FLOW STATEMENT (Con't) FOR THE YEAR ENDED 31 JULY 2024**

#### **Analysis of changes in net debt**

	<b>At 1 August 2023 £'000</b>	<b>Cash flows £'000</b>	<b>At 31 July 2024 £'000</b>
Cash at bank and in hand	342	924	1,266
Debt due within 1 year	-	95	95
	<u>342</u>	<u>1,019</u>	<u>1,361</u>

# **SHETLAND UHI**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024**

### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2019) and in accordance with Financial Reporting Standard 102 — "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Shetland UHI is a private company, limited by guarantee, incorporated and registered in Scotland. The company's registration number is SC646337 and the registered office address is Gremista Industrial Estate, Lerwick, Shetland, ZE1 0PX.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2019) and in accordance with Financial Reporting Standards FRS 102 and the Companies Act 2006. The accounts are presented in £s sterling and rounded to the nearest £1.

#### **Going concern**

The directors have prepared the financial statements on a going concern basis notwithstanding the uncertainties caused by the current national economic situation. The directors have prepared cashflow forecasts for a period beyond 12 months from the date of approval of these financial statements which indicate that taking into account reasonably possible downturns, the College will have sufficient funds through its operating cashflows and cash reserves to meet its liabilities as they fall due for that period with the support of UHI and the Scottish Funding Council. On this basis, the Board of Management considers that the College is a going concern as described in the Code of Good Governance for Scotland's Colleges and that the financial statements have been prepared on this basis.

#### **Changes in Accounting Policies**

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information. When a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

#### **Recognition of income**

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

#### **Tuition fees**

Income from tuition fees is recognised in the period to which it relates.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2024**

**1. Accounting policies (continued)**

**Grant funding**

Government revenue grants including regional and national funding are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of the government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

**Donations and endowments**

Donations and endowments are examples of non-exchange transactions. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Donations and endowments with donor-imposed restrictions are recognised in income when the College is entitled to the funds. Income is retained in a restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

**Capital Grants**

Capital grants from SFC or other government bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets, under the accruals method as permitted by FRS102.

**Accounting for post-employment benefits**

Retirement benefits to employees of the College are provided by the Shetland Islands Council Pension Fund, which administers the Local Government Pension Scheme (LGPS) and the Scottish Teachers Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency (SPPS).

*Shetland Islands Council Pension Fund*

The contributions are determined by an actuary on the basis of periodic valuations using the projected unit method. The amount charged to the Statement of Comprehensive Income and Expenditure represents the service cost expected to arise from employee service in the current year.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the College's obligation is to provide the agreed benefits to current and former employees and actuarial risk (that benefits will cost more or less than expected) and investment risk (that return on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the College.

The College recognised a liability for its future obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2024**

**1. Accounting policies (continued)**

**Short term employment benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

**Fixed assets**

*Recognition*

A fixed asset is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the College; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets which are capable of being used for a period, which could exceed one year, and have a cost equal to or greater than £5,000, are capitalised.

*Measurement*

All fixed assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at fair value as follows:

- Specialised land, buildings, plant, equipment, fixtures and fittings are stated at depreciated replacement cost, as a proxy for fair value, as specified in the FReM.
- Non-specialised land and buildings are stated at fair value.
- Valuations of all land and buildings are reassessed by valuers under a 5-year programme of professional valuations and adjusted in intervening years to take account of movements in prices since the last valuation.
- Non-specialised equipment, installations and fittings are valued at fair value. A depreciated historical cost basis is used as a proxy for fair value.

*Subsequent expenditure*

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the College and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria, the expenditure is charged to the Statement of Comprehensive Income and Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

*Revaluations and impairment*

Increases in asset values from revaluations are recognised in the revaluation reserved, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of

Comprehensive Income and Expenditure, in which case, they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Gains and losses on revaluation are reported in the Statement of Comprehensive Income and Expenditure.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2024**

**1. Accounting policies (continued)**

*Depreciation*

Fixed assets are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is calculated using the straight-line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- Leasehold property – 10 – 20 years straight line
- Boats – 10 years straight line
- Engineering equipment - 10 years straight line
- Furniture and fittings – 10 years straight line
- Motor vehicles – 5 years straight line
- Library equipment – 5 years straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life. Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are expenses as incurred.

**Intangible assets**

*Recognition*

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Board of Management's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Board of Management and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board of Management's activities for more than one year and have a cost of at least £5,000.

**Leased assets**

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased assets are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

**Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

# **SHETLAND UHI**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024**

### **1. Accounting policies (continued)**

#### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

#### *Financial assets*

The College holds loans and receivables which are defined as assets that have fixed or determinable payments but are not quoted in an active market. Loans and receivables comprise trade and other receivables and cash at bank and in hand in the Balance Sheet.

Financial assets are recognised when the College becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the College has transferred substantially all risks and rewards of ownership.

A provision for impairment of loans and receivables is established when there is objective evidence that the College will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the loan and receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the value of the estimated future cash flow.

The College assessed at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

#### *Financial liabilities*

Financial liabilities are recognised on the Balance Sheet when the College becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently carried at amortised cost.

For the borrowings that the College currently has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest reflected in creditors) and interest charged to the Statement of Comprehensive Income and Expenditure is the amount payable for the year according to the loan agreement.

#### **Taxation**

The College is an exempt charity and is therefore not liable for Corporation Tax under section 506 (1) of the Income and Corporation Taxes Act 1988.

The College receives no similar exemption in respect of VAT. For this reason, the College is generally unable to recover input VAT on goods and services purchases. Non-payroll expenditure is therefore shown exclusive of VAT with any partial recovery netted off against these figures.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2024**

**1. Accounting policies (continued)**

**Provisions**

Provisions are recognised in the financial statements when:

- a) The College has a present obligation (legal or constructive) as a result of a past event;
- b) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

**Contingent assets and liabilities**

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

**2 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical areas of judgement*

In preparing these financial statements, management have made the following judgements:

- Determined whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

*Critical accounting estimates and assumptions*

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

- Shetland Islands Pension Fund

The present value of the Shetland Islands Pension Fund defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions.

## SHETLAND UHI

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

#### 2. Critical accounting judgements and estimation uncertainty (continued)

The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability.

- Impairment of fixed assets

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

#### 3. Funding body grants

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
SFC recurrent grant (including fee waiver)	2,435	2,423
UHI recurrent grant – HE provision	802	953
Other SFC/RSB grants - FE provision	475	1,256
<b>Total</b>	<b>3,712</b>	<b>4,632</b>

#### 4 Tuition fees and education contracts

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
FE fees – UK	335	571
HE fees	365	368
SDS contracts	546	476
Other contracts	286	140
<b>Total</b>	<b>1,532</b>	<b>1,555</b>

#### 5 Other grants and contracts

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
European Funds	1	3
Other Grants	1,032	772
<b>Total</b>	<b>1,033</b>	<b>775</b>

#### 6 Other income

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Catering and Residences	110	72
Donations	2	-
Management Fees	61	39
Consultancy	62	46
Other income	232	260
<b>Total</b>	<b>467</b>	<b>417</b>

# SHETLAND UHI

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

### 7 Investment Income

	2024 £'000	2023 £'000
Bank Interest	6	-
FRS 102 Pension Adjustment	188	-
<b>Total</b>	<b>194</b>	<b>-</b>

### 8 Staff costs and key management personnel remuneration

The average number of persons (including key management personnel) employed by the College during the year, expressed as full-time equivalents, was:

	2024 No.	2023 No.
Teaching staff	41	40
Non-teaching staff	68	77
<b>Total</b>	<b>109</b>	<b>117</b>

#### Staff costs for the above persons:

	2024 £'000	2023 £'000
Wages and salaries	4,552	4,413
Social security costs	480	467
Other pension costs	953	934
<b>Sub Total</b>	<b>5,985</b>	<b>5,814</b>
FRS 102 adjustment	(9)	267
<b>Sub Total</b>	<b>5,976</b>	<b>6,081</b>
Restructuring costs:		
Contractual	262	-
Non-contractual	-	-
<b>Total</b>	<b>6,238</b>	<b>6,081</b>

The number of key management personnel and other staff receiving annual emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind, in the following range was:

	2024	2023
£10,001 to £20,000	-	1
£20,001 to £30,000	-	1
£30,001 to £40,000	2	-
£50,001 to £60,000	-	1
£60,001 to £70,000	1	1
£70,001 to £80,000	1	-
£80,001 to £90,000	1	1
	<b>5</b>	<b>5</b>

## SHETLAND UHI

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

#### 8 Staff costs and key management personnel remuneration (continued)

Key management personnel total remuneration is made up as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	299	262
Social security costs	35	31
Other pension costs	68	57
<b>Total</b>	<b>402</b>	<b>350</b>

The above compensation includes amounts paid to the Principal & Chief Executive, who is the highest paid member of staff. Their pay and remuneration is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Basic Salary	88	89
Employer's National Insurance	11	11
Employer's Pension Contribution	21	20
<b>Total</b>	<b>120</b>	<b>120</b>

#### 9 Other operating expenses

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Teaching costs	615	774
Non-teaching costs	699	532
Premises costs	566	554
<b>Total</b>	<b>1,880</b>	<b>1,860</b>

#### Surplus before taxation is stated after charging/(crediting):

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration:		
Financial statements audit	20	20
Lease commitments	39	61

#### 10 Interest and other finance costs

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans, overdrafts and other loans	4	4
FRS 102 Pension Adjustment	-	16
<b>Total</b>	<b>4</b>	<b>20</b>

#### 11 Taxation

The members do not believe the College is liable for any corporation tax arising out of its activities during this year.

## SHETLAND UHI

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

#### 12 Related party transactions

Expenses paid to the trustees in the year totalled £210 (2023: £20). No expenses were waived for any trustees (2023: £nil).

Shetland UHI is a constituent partner of the University of the Highlands and Islands (UHI). During the year, the College transacted with UHI of which £104,855 (2023: £44,978) was due from UHI and £116,382 (2023: £31,638) was due to UHI. £1,075,338 (2023: £1,250,000) was paid to Shetland UHI by UHI as an advance.

During the year income of £3,627,321 (2023: £3,361,969) was received in relation to funding body grants and £229,190 (2023: £131,964) from research grants. There were net sales of £168,484 (2023: £41,000) and costs of £116,382 (2023: £530) paid to UHI.

There were no donations made by any trustees during the year (2023: £nil).

There were no other related party transactions during the year

#### 13 Tangible fixed assets

	Leasehold Property £'000	Boats & alterations £'000	Vehicles £'000	Fixtures & fittings £'000	Total £'000
<b>Cost</b>					
At 1 August 2023	4,304	315	33	2,599	7,251
Additions	-	-	-	235	235
At 31 July 2024	4,304	315	33	2,834	7,486
<b>Depreciation</b>					
At 1 August 2023	4,252	278	30	2,290	6,850
Charge for year	4	6	3	87	100
At 31 July 2024	4,256	284	33	2,377	6,950
<b>Net Book Value at 31 July 2024</b>	<b>48</b>	<b>31</b>	<b>-</b>	<b>457</b>	<b>536</b>
<b>Net Book Value at 31 July 2023</b>	<b>52</b>	<b>37</b>	<b>3</b>	<b>309</b>	<b>401</b>

#### 14 Stock

	2024 £'000	2023 £'000
Stock	1	1
<b>Total</b>	<b>1</b>	<b>1</b>



# SHETLAND UHI

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

### 15 Debtors

	2024	2023
	£'000	£'000
Trade debtors	296	196
Prepayments and accrued income	212	349
Provision for bad debts	(13)	(13)
<b>Total</b>	<b>495</b>	<b>532</b>

### 16 Cash and cash equivalents

	2024	2023
	£'000	£'000
Cash and cash equivalents	1,266	342
<b>Total</b>	<b>1,266</b>	<b>342</b>

### 17 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Advance Payment	3,114	1,150
Loans	95	-
Trade creditors	216	189
Accruals and deferred income	616	512
Credit Cards	8	1
Other taxation and social security	200	106
Pension Fund	152	101
Other creditors	49	49
Deferred capital grants	32	43
<b>Total</b>	<b>4,482</b>	<b>2,151</b>

### 18 Creditors: amounts falling due after one year

	2024	2023
	£'000	£'000
Deferred capital grants	358	186
<b>Total</b>	<b>358</b>	<b>186</b>

### 19 Financial instruments

The College has the following financial instruments:

Financial assets	2024	2023
	£'000	£'000
Debt instruments measured at amortised cost:		
Trade debtors	296	196
Accrued income	212	672
<b>Total</b>	<b>508</b>	<b>868</b>

## SHETLAND UHI

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

#### 19 Financial instruments (continued)

The College has the following financial instruments:

<b>Financial liabilities</b>	<b>2024</b>	<b>2023</b>
Financial liabilities measured at amortised cost:	<b>£'000</b>	<b>£'000</b>
Trade creditors	216	189
Monies received in advance	3,114	1,150
Accruals	462	389
<b>Total</b>	<b>3,792</b>	<b>1,728</b>

#### 20 Retirement benefits

Some of the College's employees belong to the Shetland Islands Council Pension Fund.

The total employer's pension cost for the period was as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Shetland Islands Council Pension Fund:		
Contributions paid	612	564
Charge to Statement of Comprehensive Income	612	564
<b>Total pension cost for the year within staff costs</b>	<b>612</b>	<b>564</b>

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 July 2024 by a qualified independent actuary.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Rate of increase in salaries	2.75%	2.95%
Future pension increases	2.75%	2.95%
Discount rate for scheme liabilities	5.00%	5.00%

Commutation of pensions to lump sums – An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

Life expectancy is based on the Fund's VitaCurves, with improvements in line with the CMI 2022 with an allowance for smoothing of recent mortality experience long term rates of 1.5% per annum for males and 1.5% per annum for females. Based on these assumptions, average future life expectancies at age 65 are summarised below:

# SHETLAND UHI

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

### 20 Retirement benefits (continued)

	2024 £'000	2023 £'000
<b>Current pensioners</b>		
Males	22.1	20.1
Females	24.0	22.5
<b>Future pensioners</b>		
Males	22.6	21.5
Females	25.2	24.5

The College's share of the assets in the plan at the balance sheet date and the expected rates of return were:

	2024 £'000	2023 £'000
Equities	78%	87%
Bonds	4%	3%
Property	17%	9%
Cash	1%	1%
<b>Total fair value of plan assets</b>	<u>100%</u>	<u>100%</u>
<b>Actual return on plan assets</b>	<u>13.9%</u>	<u>6.4%</u>

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2024 £'000	2023 £'000
Fair value of plan assets	19,976	17,023
Present value of plan liabilities	15,135	13,285
Restriction of pension asset	(4,841)	(3,738)
<b>Net pensions asset / (liability)</b>	<u>-</u>	<u>-</u>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2024 £'000	2023 £'000
<b>Amounts included in staff costs:</b>		
Current service cost	(547)	(831)
Past service cost	(56)	-
<b>Total</b>	<u>(603)</u>	<u>(831)</u>
<b>Amounts included in interest receivable/ (payable):</b>		
Net interest on defined pension liability	188	(16)
<b>Total</b>	<u>188</u>	<u>(16)</u>

# SHETLAND UHI

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024

### 20 Retirement benefits (continued)

	2024 £'000	2023 £'000
<b>Amount recognised in Other comprehensive Income:</b>		
Return on pension plan assets	1,176	233
Experience losses arising on defined benefit obligations	(930)	(830)
Changes in assumptions underlying the present value	660	5,256
Return on plan assets	-	(334)
<b>Amount recognised in Other Comprehensive Income</b>	906	4,325
<b>Movement in net defined liability during the year</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Defined benefit obligations at start of period	3,738	(304)
Current service cost	(547)	(831)
Employer contributions	612	564
Past service costs	(56)	-
Net interest on the defined liability	188	(16)
Actuarial loss / (gains)	906	4,325
<b>Defined benefit asset at 31 July 2024</b>	<b>4,841</b>	<b>3,738</b>
<b>Changes in the present value of defined benefit obligations</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Defined benefit obligations at start of period	13,285	16,363
Current service cost	547	831
Interest cost	676	586
Contributions by scheme participants	168	164
Actuarial loss / (gains)	746	(4,426)
Benefits paid	(343)	(233)
Past service cost	56	-
<b>Defined benefit obligations at end of period</b>	<b>15,135</b>	<b>13,285</b>
<b>Changes in fair value of plan assets</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>Fair value of plan assets at start of period</b>	<b>17,023</b>	<b>16,059</b>
Interest income	864	570
Employer contributions	612	564
Contributions by scheme participants	168	164
Actuarial gains	1,652	(101)
Benefits paid	(343)	(233)
<b>Fair value of plan assets at end of period</b>	<b>19,976</b>	<b>17,023</b>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2024**

**20 Retirement benefits (continued)**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis. These contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Government's Actuary's Department (the department) on 26 October 2023. The key results of the valuation and subsequent consultation are:

- New employer contribution rates were set at 28.6% of pensionable pay (including administration fees of 0.08%);
- total scheme liabilities for service to the effective date of £262 billion, and notional assets of £222.2 billion, giving a notional past service deficit of £39.8 billion;
- an employer cost cap of 8.1% of pensionable pay.
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The current employer contribution rate is 23.7% (including a 0.08% administration fees). The employer contribution rate will be payable until the next valuation (as at March 2020) becomes publicly available, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2024.

The pension costs paid to TPS in the year amounted to £447,000.

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan, so it is accounted for as a defined contribution plan.

## **SHETLAND UHI**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2024**

#### **21 Financial commitments under operating leases**

The total future minimum lease payments under non-cancellable operating leases as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Payments due:		
Not later than one year	39	39
Later than one year and not later than five years	315	262
Later than five years	1,564	1,656
<b>Fair value of plan assets at end of period</b>	<b>1,918</b>	<b>1,957</b>

#### **22 Post balance sheet events**

There are no post balance sheet events to note.