

REGISTERED NO. SC646337

CHARITY REGISTRATION NO. SC050701

SHETLAND UHI

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

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SHETLAND UHI LEGAL AND ADMINISTRATIVE INFORMATION

Members:

Maria Bell	Independent Director
Claire Christey	Independent Director
Simon Clarke	Teaching Staff Director
Lauren Doughton	Independent Director (resigned 12 th December 2024)
John Goodlad	Independent Director
Karen Hall	Independent Director
Graeme Howell	Independent Director (resigned 11 th December 2024)
Jane Lewis	Executive Director, Principal and Chief Executive
David Sandison	Independent Director (resigned 11 th December 2024)
Valerie Nicolson	Independent Director
Mason Robbins	Independent Director & Acting Interim Chair (15 th January 2025-25 th June 2025)
Daniel Lawson	Independent Director (appointed 4 th October 2023)
Keith Massey	Student Director (appointed 17 th January 2024; resigned 14 th November 2024)
Brian Smith	Independent Director (appointed 26 th June 2024)
Mark Green	Independent Director (appointed 23 rd August 2024)
Harley Green	Student Director (appointed 23 rd August 2024)
Amanda Hawick	Independent Director (appointed 25 th August 2024)
Selina-May Miller	Non-Teaching Staff Director (appointed 9 th October 2024)
Stephen Leask	Independent Director (Chair appointed 9 th June 2025)

Secretary: Matthew Sierocinski King

Auditor: Wbg (Audit) Limited
168 Bath Street
Glasgow G2 4TP

Bankers: Virgin Money
106 Commercial Street
Lerwick
Shetland ZE1 0JJ

Registered Office: Shetland UHI
Gremista
Lerwick,
Shetland ZE1 0PX

Charity Number: SC050701

SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

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 two research Centres 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. 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.

As a small rural college, UHI Shetland are proud to serve our island community. Our Strategic Plan 2025-30 involves us enhancing our student's learning experience, strengthening our research and responding to the evolving needs of our island, region and community. A key aim for UHI Shetland is to offer a wide range of learning opportunities that allow people to study without leaving Shetland; being responsive to the needs of our community and its economy. Engaging with the local community is extremely important to UHI Shetland, as the only tertiary educational college on our remote isle we are here to serve the needs of Shetland.

UHI Shetland has a valuable place in the region, local community and economy. Our aim is to strengthen our position through our own practices, as well as working with our stakeholders and making sure the learning, teaching and research aims of the college have a positive impact in the place we live and beyond.

Academic Year 2024-25 saw a period of recovery following restructuring and staff leaving through voluntary severance in Summer 2024. The new Creative Communities teaching department came together from two previously separate teaching departments, which meant UHI Shetland now had four discrete teaching departments, supported by professional support staff.

The sustained decline in real-terms funding for Scotland's college sector has placed significant and unsustainable pressure on Scotland's colleges including UHI Shetland. Audit Scotland found that the financial health of the college sector has deteriorated since academic year

SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

2021/22, with real terms resource funding having reduced by 17% in this time. This financial constraint is impacting institutional viability and workforce stability.

Funding remained below the Consumer Price Index (CPI) inflation rate of 3.5% recorded in Q2 2025, resulting in a real-terms reduction. Consequently, colleges face considerable challenges in sustaining current levels of activity and service delivery.

In addition to inflationary pressures, colleges are absorbing rising costs across multiple areas, including consumables, energy, and raw materials essential for teaching. Furthermore, the increase in employers' National Insurance contributions (NICs) has added to the financial burden faced by UHI Shetland.

Introduction

The strengths of 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 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.

The Scottish Funding Council's annual performance indicators published in July 2025 show that

- School-college programmes have high levels of successful completion and progression rates.
- Learner Progress and Outcomes: a higher than sector norm successful completion for students, with 82.8% of students on full-time further education courses gaining a recognised qualification in academic year 2023-24, which was the highest in Scotland. Over 95% of students on part-time courses completed successfully.
- In AY24/25 our SSES satisfaction rate for FE students was 95% but we only achieved a 18% response rate. Our ESES satisfaction score was 93% with a 26% response rate. Steps are being taken internally to review engagement in our surveys.
- Student surveys indicate that learner satisfaction rates are above the sector norm, and learners have a high level of confidence in college staff. UHI National Student Survey response rates for 2024 -25 indicate that 86% students of students are satisfied with UHI.
- For the Postgraduate Taught Experience Survey (PTES), UHI achieved 91% overall satisfaction, the highest in Scotland. UHI Shetland achieved a score of 86% for satisfaction from this postgraduate survey
- Modern Apprentice Achievement rates of overall 84.2% (16-19 79.5%, 20+ 85.7%)
- for 24/25 financial year

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Strategic vision

UHI Shetland continue to align with the UHI Shetland 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

Self- Assessment Action Plan

2024-25 saw the requirement by the Scottish Funding Council to deliver a Self- Assessment Action Plan (SEAP) for each of the colleges and UHI Shetland completed our own self-assessment, in line with the Scottish Funding Council's - Scotland's Tertiary Quality Enhancement Framework - Scottish Funding Council

The SEAP was submitted to the SFC in which we highlighted several improvement actions that we have listed and added onto our Operational Plans. The SEAP is monitored through our Quality and Improvement committee and presented to the Senior Management Group. We are required to reflect on our progress and met with our advisor in May to discuss the process. The SEAP is an annual process with the next one due in December 2025.

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FOR THE YEAR ENDED 31 JULY 2025**

As part of the Teaching Quality Enhancement Framework (TQEF), we have also been engaged in the STEP programme and have joined the national group on staff development, looking at the similarities and differences of staff development between colleges and how we best support learners who face the most barriers. The project will commence in 2025 and will run over at least 2 academic years.

Operational plans for all sections were developed using the strategic framework and were in place by September 2024. Operational plans were developed involving all teams and staff input.

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.

	2024-25 £'000
(Deficit) before other gains and losses	(313)
Deduct:	
Pension adjustment – Current service cost	513
Pension adjustment – Past service cost	21
Pension adjustment – Net interest cost	(244)
Pension Adjustment – Employer contributions	(607)
Adjusted operating (deficit)	(630)

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 outflow of £594,000 in the year to 31st July 2025.

Liquidity

The College had cash balances of £672,000 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 33 days in 2025 (2024: 34 days). Trade Creditors were £162,000 at 31st July 2025. The College did not pay any interest during the year under the Late Payment of Commercial Debts (Interest) Act 1998.

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Charitable Objectives

Activities and achievements of UHI Shetland for 2024- 2025 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 2024-25 UHI Shetland undertook the following:

- 2346 overall student enrolments
 - 104 Full Time Further Education (FE)
 - 1953 Part Time Further Education
 - 100 Full Time Higher Education (HE)
 - 189 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
 - 165 short courses run supporting local people and companies
 - 982 delegates attended these courses

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.

Our school link programmes remain strong during Academic Year 2024/25 with more applications for both the Skills for Work and Foundation Apprenticeship and Senior Phase intakes; with 296 applications for Skills for Work and 286 applications for S5 and S6 entry courses. UHI Shetland’s School-College Partnership Programme with the Shetland Islands Council focuses on school-link courses aimed at S5 and S6 pupils across Shetland, allowing young people to study at UHI Shetland and gain a recognised qualification alongside their school studies.

This partnership offers courses for young people in a wide range of subjects, all with robust training pathways to local industries, and allows pupils to gain hands-on experience which means they are better prepared to enter the local workforce, with professionalism, deeper knowledge and confidence in their skills.

Recently over one hundred S5 and S6 pupils enrolled on this year’s intake, with the courses

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pupils, parents and employers across the isles. With a 93% success rates for these school courses in academic year 2024/25, UHI Shetland continue to support the next generation of Shetlanders into their chosen learning, training and employment paths.

Chosen from thousands of nominees, UHI Shetland has been recognised with a Silver Award for School or College Partnership Programme of the Year in this year's Pearson National Teaching Awards and is being consider for the highly desired Gold Award, which will be announced at a prestigious awards ceremony in London in November 2025.

Health, Care and Society

In the Health, Care & Society section, our commitment to advancing education and training has never been stronger. We take pride in nurturing a culture of lifelong learning, equipping individuals with the skills and confidence they need to thrive both locally and beyond.

This year we have developed, reviewed and updated some courses and qualifications designed to meet the diverse needs of our learners across Shetland and the wider region. This includes:

- **Further Education:** in our Access to Nursing and NQ Childhood Practice courses, we have imbedded SVQ elements in line with industry requirements, which will help provide a clear pathway into employment or higher-level study.
- **Higher Education:** Our BA (Hons) in Health & Social Studies, delivered in collaboration with UHI partners, empowers students to gain both academic knowledge and practical experience relevant to the evolving health and social care sectors. This year we were awarded module leadership for an SCQF 9 module within this degree called 'Healthy People, Healthy Places'.

Our collaborative approach has been recognised by local employers who praise our graduates for their work-readiness and professionalism.

This year we have also embraced innovative delivery methods to ensure accessibility and flexibility for our students:

- **Blended Learning:** The PDA Education Support qualification has been adapted to online learning in collaboration with Argyll UHI. Delivery is shared, and students who are all industry based, share practice from across regions. This course forms the basis for SSSC registration for support workers. This move to online delivery, supports students who may be balancing family or work commitments.
- **Remote Learning Solutions:** The PDA Youthwork has been adapted to be fully online, which allows learners in some of Shetland's most remote communities to engage fully with their studies and has opened up this course to learners from across Scotland.

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We continue to be the provider of choice for SVQs in Health, Social Services and Healthcare for the Shetland Islands Council (SIC), private providers and 3rd sector organisations locally. This year we have provided qualifications for over 95 candidates working within the sector. All qualifications have enabled candidates to registered with the Scottish Social Services Council (SSSC) which is a requirement of these job roles.

Creative Communities

Classes for adults with additional needs were provided for the Eric Gray Service at two levels of capability Access to Life Skills, and Access to Core Skills. This was a whole section effort with content in the areas of cookery, art and design, enterprise and employability and numeracy.

At SCQF 4 and 5 S3 and S4 school children were taught on the Skills for Work programmes in Hospitality and Creative Enterprise (through Mareel).

The section provided Core Skill (Communication, IT and Numeracy) modules at SCQF 4, 5 and 6 to students across the college on NC / NQ, SVQs and Modern Apprenticeships. This year the Alternative to Higher English programme has been offered to Shetland and Argyll students as a combined distant learning cohort, by VC with VLE support. This isn't a new course but offering the course to students enrolled outside Shetland is new.

The section continues to also provide assessor support in the workplace in Hospitality and Business Administration. In the case of Hospitality some elements of the accreditation have actually been supported on campus because some candidates' professional workplaces are unable to support the full range of techniques required to achieve the award.

NC Art and Design was offered on a full and part time basis, with a selection of modules from the programme also being offered to senior phase students at S5 and 6. This serves as a portfolio building exercise with many of the candidates using their output as evidence for application to degree level art programmes. Several candidates successfully applied to UHI's Fine Art programme or those of Glasgow and Aberdeen for 2025-6.

BA Fine Art continued to be offered to local candidates at levels SCQF 7, 8 and 9. This is a networked programme, but practical elements at taught primarily by local tutors. One part time student was enrolled locally at honours / SCQF 10, but this year they were undertaking only the Dissertation module. They will complete the year in 2025-6 when they will be joined by the current full time ordinary level students. Two modules Critical and Contextual Practice 1 (SCQF7) and Art and Social Practice (SCQF8) are taught across the UHI network by members of the section. Specialist options in Woven Textiles at SCQF 7 and 8 have been offered as CPD opportunities, allowing some limited continuity of textile design after the ending of the full Contemporary Textiles Degree.

Section staff are heavily involved in the delivery of BA(hons) Archaeology, which is part of UHI networked humanities and social sciences undergraduate portfolio. UHI Shetland hosts

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students on a number of these programmes. UHI also allows its modules to be taken as CPD for example by schools teachers that what to extend the range of discipline areas they can support, or simply for interest by mature students. The section provides PATs for several students studying from Shetland on this basis.

The section offers a taught postgraduate programme in the in the field of socially engaged art continues in the MA programme Art and Social Practice. The programme includes Shetland resident students, but also recruits from across the UHI region, all students on the programme being hosted by UHI Shetland. This year the eighth annual residential study week was hosted in the spring, rather than winter, having sought to find a time of year better suited to travel to Inverness for as many students as possible.

The section also leads and teaches into UHI's masters programmes in Island Studies, Viking Studies and Orkney & Shetland Studies. These are networked programmes delivered by VC and VLE to off campus students, but for historical reasons all students are hosted by UHI Orkney.

Advanced MRes and PhD research continues to expand with a proportion of candidates *alumni* from the MA Art and Social Practice, Island Studies, and Orkney & Shetland Studies masters as well as others new to the institution.

Marine Science

Development and delivery of new training courses for school-based programs and industry have included:

- Online CPD Sustainable Aquaculture Management (Diploma)
- Online CPD Sustainable Marine Environmental Management (Diploma)
- Sustainable Aquaculture Practices module (SCQF L8)
- 2 day Advanced Powerboat
- 5 day coastal theory
- RYA First Aid at Sea – staff completed RYA instructor training

UHI Shetland have continued strong links with local industry in this section, with Scottish Seafarms awarded Heart of Community grant of £5000, which was used for training all Skills for Work students for a new Powerboat Level 1 course. This course was very well received by all the students and allowed young people to access a qualification which was out of the normal school qualifications.

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. The new CBQ L5/7 commenced on 1st April 2025 and now replaces the SVQ L2/3. During the 2024/25 academic year 49 MA Aquaculture students have completed their course, with another 118 MA Aquaculture apprentices currently in progress.

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The Aquaculture team started delivery of MA/SVQ to new clients including Bakkafrost, Organic Sea Harvest, Loch Duart and MOWI. UHI Shetland are now delivering Modern Apprenticeships to all aquaculture companies in Scotland and Wales. The geographical area covered for Aquaculture students is extensive. 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.

Aquaculture staff undertook new instructor training funded by UK Shared Prosperity Fund (STEM and Maritime Skills) to meet industry demand and delivery of new training courses. The team currently delivers 30 different short courses; a blend of classroom and online delivery, all of which remain popular with the local industry.

During **Scottish Apprenticeship Week**, UHI Shetland students enjoyed a successful night at the annual ALBAS, the prestigious Lantra Scotland's Awards for Land-based and Aquaculture Skills, held on Thursday 6 March at the Crieff Hydro. The ALBAS, designed to foster careers within the rural sector, commend the achievements of learners and underscore the significance of employers investing in skills.

All four UHI Shetland nominees, were recognised:

Derek Dunning: Winner in the Aquaculture category

Lewis Henderson: Runner up in the Aquaculture category

Mary Collins: Runner up in the Aquaculture category

Robaidh Halliday: Runner up in the Higher Education category

Their achievements were further recognised by a Scottish parliament motion submitted by Beatrice Wishart which can be viewed on the Scottish Parliament website [here](#).

Technology, Maritime and Built Environment (TMBE)

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

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 offering the new NC Shipping and Maritime Operations course in academic year 24/25.

The department ran the inaugural "Women in Welding" course, which was a huge success,

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inspiring women to explore career opportunities in engineering and green skills industries. The one-day course, held at the Scalloway Campus on Saturday 3rd March, welcomed 15 women from across Shetland, offering hands-on experience in welding and electrics.

Overall, the department delivered:

- 8 Carpentry and Joinery students passing their Skills Tests, completing the college elements of their modern apprenticeship.
- 2 Computing students graduated with BSc Hons Computing
- 4 Engineering students completed their Modern Apprenticeships
- 21 Students successfully completed NC Computing or Engineering
- 76 School Pupils successfully completed Skills for Work TMBE programmes.
- 43 School Pupils successfully completed Academy TMBE programmes
- 10 Bridges students successfully completed Vocational Pathway programmes in Computing or Construction.

Modern Apprenticeships

In contract year 24/25 we achieved the following:

- 145 new apprentice starts. The highest proportion of these in Food and Drink (Aquaculture) with 87 of the 145 apprentices.
- Supported 231 apprentices in training

Our overall achievement rate (84%) is 9% higher than the Scottish target. There is a separate achievement rate for the 16-19 at 70% and we are also 9% higher than target.

Our revised contract value was £541,335 and by the end of March 25 (end of contract year) we had claimed £537,029 through apprentice milestone, outcomes and travel.

We organised the Try Something Different Day event in Scottish Careers Week in November and had 4 people participate. The aim of the programme is to challenge the gender stereotypes for apprenticeships.

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.

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In activities across a variety of conferences, countries and audiences, UHI Shetland staff increased collective knowledge, skills and expertise throughout academic year 2024-25.

Professor Lewis took part (as a peer reviewer) in an Interreg Europe Policy Learning Platform Workshop in Östersund, Sweden considering: How to make remote students more visible for the local business ecosystem for the Östersund Municipality.

Creative and Cultural Industries (home of Centre for Islands Creativity)

UHI Shetland continued to be one of the coordinators in the Living in the Landscape educational research project (2022-2025) and participated through both virtual and real life settings. This year the project culminated in a multi-faceted event at Nord University Nesna in Norway, comprising an exhibition, symposium, workshops and fieldwork. Students, *alumni* and the Programme Leader from the MA Art and Social Practice contributed to each of these activities. The project established a hybrid model for multidisciplinary partnerships in higher education and research between the arts, natural sciences, and humanities. It was designed to meet the emerging challenges of environmental, social, cultural, and economic changes in the northern and Arctic region caused by megatrends, such as climate change and globalisation. Participants in the project, including researchers, scholars, artists and postgraduate students from universities, museums and arts organisations in Scandinavia, North America and Scotland, investigated ways to implement community and place-based learning, teaching and research through residential field work combining online and real-life research and knowledge exchange using arts-based methodologies. Partners: Umeå University (Sweden), University of Lapland (Rovaniemi, Finland), Nord University Nesna (Norway), University of the West of Scotland and UHI Shetland. The project was linked to UArctic through its thematic network, ASAD (Arctic Sustainable Arts and Design).

UHI Shetland continues to be part of the coordinating group of the ASAD (Arctic Sustainable Arts and Design) UArctic thematic network which brings together universities across the northern and Arctic region worldwide.

Professor Roxane Permar co-facilitated the Social Art Educators Forum online sessions throughout 2024-25 with Professor Loraine Leeson, Middlesex University. The forum brings together practitioners in education for social art practice based in universities and arts organisations from across the world.

UHI Shetland hosted three researchers, Wenche Sørmo, Mette Gårdvik and Karin Stoll, from Nord University Nesna, Norway on 29, 30, 31 October and 1 November to meet with Roxane Permar and external partners based in Unst, Shetland, Angela Fraser, maths teacher at Baltasound Junior High School and Frances Browne, the SIC Community Development officer for the North Isles.

Alternative to Higher English is being offered to Shetland and Argyll students as a combined distant learning cohort, by VC with VLE support. This isn't a new course but offering the course to students enrolled outside Shetland is new.

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Marine Sciences (home of Centre for Sustainable Seafood)

Gregg Arthur continues to lead work on plankton impacts in aquaculture with UK Higher Education consortia. Complementing an ongoing PhD studentship, new projects are making extensive use of Imaging FlowCytobot data. Aqua-Plankton (BBSRC funding, 2 years) and Plankton-Predict (SAIC funding, 15 months) are advancing innovations and now include vertical profiling, Salinity, temperature and depth recording (CTD), and holographic imaging to detect micro-jellyfish. HAB-CAST (Aquaculture Hub) is developing statistical models to forecast harmful algal bloom events.

The UHI Aquaculture Hub met or exceeded all 2024/25 targets, including hosting or attending key aquaculture stakeholder events including the A3 Scotland Conference, the ASSG Annual Conference, the Shellfish Challenges Workshop, and the Stornoway Networking and Forum Event. Matthew Wright secured further funding to monitor aquaculture KE training, while in April 2025 Gregg Arthur stepped down as Hub Coordinator to take up a secondment as Project Director for Shell-volution. Michele Kerry was seconded from UHI Shetland as Project Manager.

The Centre for Sustainable Seafood was invited to join the Salmon Scotland Stand at the Royal Highland Show. Eleanor Hutcheon and Beth Mouat spent three days providing virtual reality salmon farming experiences to school groups, young people and families, with around 700 young people taking part. The technology was very well received and was a practical method to introduce careers in aquaculture to many attendees. The technology was also demonstrated to the First Minister John Swinney when he visited the stand.

Health, Care and Society

UHI Shetland lecturers Ritchie Summers awarded Programme Leader for HNC Childhood Practice and Module Leader for SCQF9 module 'Leading Change'

Elsbeth Stewart awarded Module Leader for SCQF9 module 'Health People, Healthy Places' as well as Module Leader for SCQF9 module 'Leading and Managing Communication Systems'.

FE networked provision: We have worked closely with smaller academic partners (Argyll, NWH and Orkney) to create networked provision of L5 and L6 NC Social Sciences courses. This benefits all partners as we can recruit with smaller numbers and create viable cohorts. This benefits Shetland as it enables us to continue to deliver these courses. Additional benefits include close collaboration and support between colleagues across the partnership.

Irene Williamson has been delivering Infection Control modules to UHI Argyll students by VC as part of Networking of Care courses.

Susan Menary was awarded UHI Advance HE Fellowship. A full list of these can be found here [Professional recognition, awards and development - UHI Advance HE Fellowships](#).

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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.

The Marine team have had a busy academic year 2024/25, with numerous conferences, activities and fieldwork undertaken. The department welcomed three new members, Evie Herrington, Alice Newbould, Emily Hague who have contributed to this work.

- Delivery of Fair Isle Inshore Fish Survey and annual Shetland Inshore Fish Survey fieldwork aboard MFV Atlantia II using scientific trawl and baited remote underwater video (BRUV) landers and new pelagic drifting camera equipment.
- First recaptures of tagged flapper skate (*Dipturus intermedius*) recorded as part of ongoing SMEEF-funded project.
- Katie Brigden presented at meeting in Faroes with colleagues from Nordic countries to discuss development of regional pelagic catch sampling (attendance funded by Nordic council, through Norwegian Institute of Marine Research).
- Work has commenced on the development of a pelagic science and sampling web portal, in collaboration with SPFA, with external company undertaking the work.
- Submitted application to EU HORIZON funding for 4-year project, as part of wider European consortium. If successful UHI (KB) will lead on one of four central work packages.
- UHI Shetland was actively represented at the ICES Scallop Assessment Working Group and the 23rd International Pectinid Workshop in the Isle of Man with Leander Harlow presenting at both events, showcasing the collaboration between UHI Shetland and the Shetland Shellfish Management Organisation (SSMO).
- Research and stock assessment delivery to the Shetland Shellfish Management Organisation, enabling them to continue implementation of their Fisheries Management Plans.
- Interim reports produced for two work packages of project “Assessing and addressing knowledge gaps in the Ling (*Molva molva*) fishery” and updated work plan developed.
- Continued contributions to international shellfish and demersal fish stock assessments through routine data collection under the MoU with the Marine Directorate.
- 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 (SFPA) and the Marine Directorate
- Shaun Fraser participation in Rockall Haddock Survey, trawl survey following semi-random stratified design over four depth-bounded sampling strata to a maximum depth of 350 m with CTD deployments at selected stations. October 2024.

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- Shaun Fraser invited participation at Fisheries Innovation and Sustainability joint meeting of the board and stakeholder committee, Fishmongers' Hall, London. December 2024.
- Phase 5 of Smartrawl field trials commenced, integrated system undergoing testing using Atlantia II.
- In December there are a series of pelagic meetings being held, providing feedback and updates to relevant stakeholders and collaborators, where Katie Brigden will present:
 - 11th Dec: Shetland Fishermen's Association Pelagic Sub Committee and Shetland Fish Producers Organization Pelagic Advisory Committee
 - 16th Dec: SPFA Senior Scientist and skipper meetings
 - 17th Dec: Annual Scottish Pelagic Industry-Science Data Collection Programme Annual Meeting (with industry and Marine Directorate)
 - 18th Dec: Scottish Pelagic Fishermen's Association board meeting
- Funding secured for two separate elements of the 2025 sandeel survey, the first in partnership with St Andrews Uni and funded by NatureScot, the second in partnership with FIMRO and funded by the Viking Shetland Community Benefit Fund.
- Successful sandeel survey undertaken by fisheries team using Atlantia II during May to investigate changes in sandeel population at Fair Isle and in study areas around the south mainland of Shetland
- SSMO Funding to continue stock assessment and support for sustainable management of Shetland's shellfish fisheries (£143,881.79 Shetland Islands Council).

The **Creative and Cultural Industries** section have enhanced their practice, and attended and participated in many symposiums and conferences this year including:

- 08/11 **Faroese Shetland Research Symposium** - [Archive of Recorded Seminars, Lectures and Conferences - Faroes Shetland Research Symposium](#)
- <https://www.uhi.ac.uk/en/research-enterprise/cultural/institute-for-northern-studies/events/fsrs---the-legacy-of-gudrun-sigurdardottir-in-husavik-and-the-legal-situation-in-the-faroes-in-the-14th-century.html>
- 07/11 **Islands Matter webinar** - <https://www.uhi.ac.uk/en/research-enterprise/cultural/institute-for-northern-studies/events/islands-matters---hebridean-educational-research-methods.html>
- 21/10 **Meeting with University of Malta to discuss island teacher training in research methods** online workshop
- **Leverhulme Research Centre – Infrastructure as Culture**
Roxanne Permar/Siun Carden attended a number of meetings in September and October with partners (Birmingham City University, Guildhall School of Music and Drama, University of Leeds, University of Lincoln, Queen Margaret University) in relation to the application for this new research centre following our Expression of Interest being short-listed for this £10 million, 10-year project.

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- **Nord Universitet Nesna / University of Lapland**, 29, 30, 31 October and 1 November - three researchers travelled from Nesna, Norway to meet to work on development and writing for a funding application to the University of the Arctic for a newly revised project that builds on Island Power and incorporates the Landscape in Pain work. Partners from SIC joined this workshop. At a subsequent meeting two researchers at University of Lapland explored becoming third university in the funding application.
- **Relate North 2024 research symposium**, investigating the theme New Genre Arctic Art and Design Education in the thematic strand - New Materialism, Entanglements and Intra-disciplinary Dialogues in Art Education. Roxanne Permar participated and a PhD student and one alumna presented in this section. Two of our alumni also participated in the symposium and exhibited their work.
- **Looking back at Home and Belonging** – various activities including - #ShetlandCrew launch of zine collection at Gaada artist's workshop. 19/08/24; Meids board meeting, with Care Inspectorate visitors in attendance, carrying out their Thematic Review of support for care experienced young people in Scotland. Through Care/After Care. SIC Housing meeting.
- Andrew Jennings ran a HerInDep Project workshop and conference planning event in January
- Andrew Jennings January 2025 Faroese Shetland Research Symposium 6/2 – PhD Student Research <https://youtu.be/bQcLomUTfeU?si=KyMOSIEeVu-oOTqg>
- Andrew Jennings February 2025 research and networking visit to Skärgårdsinstitutet vid Åbo Akademi in Finland and delivered two invited talks.
- Siun Carden and Malcolm Innes, co-hosted a workshop at the UHI Research Conference, 8-10 January 2025 and gave presentation about transdisciplinary research with Bernadette Smith (SAMS)
- The MA Art and Social Practice Spring School took place in Inverness, March 2025.

UHI Shetland researchers have been involved in producing numerous publications over 2024/25.

- Permar, R. and S. Timmins, photographs from Cold War Projects was exhibited in Cold War Scotland, National Museum of Scotland, July 2024 to January 2026. Photographs also included in a publication for teachers. <https://www.nms.ac.uk/exhibitions/cold-war-scotland#:~:text=Cold%20War%20Scotland%20explores%20the,Allied%20military%20preparations%20and%20research>.
- Permar, R. 'Swap Shots Mobile Film Exchange' in [Mapping New Genre Arctic Art Education. Arctic Sustainable Arts and Design](#). Jokela T., Huhmarniemi M., Beer R. and Solovlova A. (Eds.) (2024) University of the Arctic. November 2024.
- Permar, R. [Anunder](#), digital film, 00:03:00; played as loop, published 4 November 2024
- R. Permar exhibited the film *Anunder* in *Flow: Currents of Change in our river landscapes*, group exhibition KILO Gallery, University of Lapland, Rovaniemi, 4 – 26 November 2024.

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- Elina Härkönen, Kathryn Burnett, Lotta Lundstedt, Roxane Permar and Mette Gårdvik (eds). [*Flow: Currents of Change in our river landscapes*](#), (2024); University of Lapland Press: Rovaniemi [<https://lauda.ulapland.fi/bitstream/handle/10024/66226/978-952-337-455-3.pdf?sequence=1&isAllowed=y>].
- R. Permar, [*Transmission*](#), digital film, 00:00:00:48; play as loop, published 14 March 2025.
- Permar, R. 'From social landscape to landscapes of trauma' in *Sculpture on a Burning Planet*, edited by Andrew Best to be published by Helsinki Academy of Fine Art. Publication
- Permar, R. 'Grounded in Shetland' for Collection #3 for the [Museum of Unrest](#). In press.
- Permar, R. 'I live here! Reflections on being a socially engaged artist in a small community', for [*Power, Politics and Participatory Art: The Only Way is Ethics - New Anthology*](#), ed. by Anthony Schrag for Routledge,
- Permar, R. *Bloodlines*, a collection of digital films disseminated online and in Nesna, Norway during the exhibition Kindred: Living in the Landscape 2025 (May 2025) and to include Shetland later in 2025.
- Andrew Jennings has a chapter in **History Maker: Essays in honour of Brian Smith**. titled "A parallel naming voyage through a familiar seascape and investigates the nature of Norse naming practice in the Scottish maritime areas and on the Norwegian coast".
- Carden, S. 2024. 'Mapping our Landscapes of Practice: Visualising Situated Learning for Social Art Practitioners'. In Jokela T., Huhmarniemi M., Beer R. and Soloviova A. (Eds.) Mapping the New Genre Arctic Art Education. Arctic Sustainable Arts and Design, University of the Arctic. 142-145. This publication includes images of work by 3 of our MA Art and Social Practice students.

Marine Sciences

- Publications –
Marie E. Kirby, Trisha Toop, Miloud Ouadi, Lesley McEvoy, Christine Rolin, Rhiannon Inkster, Philip W. Dyer, Michael K. Theodorou, Thermo-catalytic reforming pyrolysis of ensiled *Saccharina latissima* dominated macroalgal pellets for bioenergy production, Energy Conversion and Management: 2024. <https://doi.org/10.1016/j.ecmx.2024.100692>
- Lieber, L., Fraser, S., Coles D., and Nimmo-Smith, W.A.M., 2024. Sheared turbulent flows and wake dynamics of an idled floating tidal turbine. *Nature Communications*. 15:8244. <https://doi.org/10.1038/s41467-024-52578-x>
- Hall, A. J., Kershaw, J.L., Fraser, S., Davidson, K., Rowland-Pilgrim, S., Turner, A.D., and McConnell, B., 2024. Estimating the risks of exposure to harmful algal toxins among Scottish harbour seals. *Harmful Algae*. 136: 102653. <https://doi.org/10.1016/j.hal.2024.102653>
- Riley, T., Mouat, B., Shucksmith, R. (2024) Real world data for real world problems: Importance of appropriate spatial resolution modelling to inform decision makers in marine management. *Ecological Modelling* 498(6)

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- Riley, T. G (2024). Fair Isle Benthic Survey 2024 – Cruise Report. UHI Shetland report. P10.
- Niels.T. Hintzen, Katie Brigden, Hendrik-Jan Kaastra, Steven Mackinson, Martin Pastoors, Lennert van de Pol. Bias in Global Fishing Watch AIS data analyses results in overestimate of Northeast Atlantic pelagic fishing impact. In press. ICES Journal of Marine Science.
- Fraser, S., Thomason, L., McAllister, M. and Harlow, L., 2024. Shetland Inshore Fish Survey (SIFS) 2024: summary of catch rates, size compositions, and spatial distributions of commercial demersal fish species. UHI Shetland report. p32.
- Ashworth, R., Fernandes, P., Yi, D., Morrison, D., and Fraser, S. 2025. Smartrawl 5.0 Final Report. FIS045. p102.
- Walker., N., Fraser., S., and Needle, C., 2025. Shetland Inshore Survey. ICES WGNSSK meeting, April 2025.
- Fraser, S., Thomason, L., Herrington, E., and Cubbon, K., 2025. Survey report for the 2024 Fair Isle inshore fish survey. Fair Isle Demonstration and Research MPA report. UHI Shetland. p51.
- McAllister, M., Fraser, S., and Thomason, L. 2025. Final project report for “Flapper skate (*Dipturus intermedius*) in Shetland: a baseline assessment of population, distribution, movement, and critical habitats”. UHI Shetland report. p40.
- Thomason, L., and Fraser, S. 2025. Identification of inshore nursery areas for commercially important fish species around Shetland. UHI Shetland report. p54.
- Hintzen, N.T., Brigden, K., Kaastra, H., Mackinson, S., Pastoors, M.A., van de Pol, L. (2025) Bias in Global Fishing Watch AIS data analyses results in overestimate of Northeast Atlantic pelagic fishing impact. ICES Journal of Marine Science 82(3)
- Blasdale, T. 2025a. Exploratory development of a survey-based biomass index for ling (*Molva molva*) in ICES subareas 3, 4, 6-9 12 and 14. Working Document presented to the ICES Working Group on the Biology and Assessment of Deep Sea Fisheries Resources (WGDEEP). 17 pp
- Blasdale, T. 2025b. Exploratory assessment of ling (*Molva molva*) in ICES subareas 3,4 6-9, 12 and 14 with the Stochastic Surplus Production model in Continuous Time (SPiCT). Working Document presented to the ICES Working Group on the Biology and Assessment of Deep Sea Fisheries Resources (WGDEEP). 18 pp

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:

- Dr Rachel Shucksmith led a Nordic region workshop in at the Scottish Government buildings, Edinburgh sharing experiences in marine planning across Shetland/ Faroes/ Iceland/ Greenland/Denmark and Sweden

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- Dr Rebecca Giesler has successfully gained funding from SMEEF for £294,000, lasting for three years and starting in April
- Dr Emily Hague has started with the Marine Planning team as a researcher on the EU Blue Connect Project.
- Dr Rachel Shucksmith awarded Associate Professorship

In June 2025 the publication of the document “Guiding Marine Restoration and Enhancement in the Shetland Islands” funded via Marine Fund Scotland under the Scottish Government’s Delivering Scotland’s Blue Economy Vision was well received. The document aims to support and guide sustainable marine actions in Shetland’s seas and coast, which are relevant and tailored to Shetland’s unique marine environment.

As global and national momentum builds around marine restoration and enhancement, it is important that place-based guidance specifically tailored to Shetland is available that considers our unique coastal and marine ecosystems and the communities, industries, and species that rely on them. The guidance is the result of an engagement project by UHI Shetland, shaped by contributions from residents, stakeholders, and organisations across the Shetland Islands.

This **document** has also been officially endorsed as a Decade Activity under the United Nations Decade of Ocean Science for Sustainable Development (2021–2030). This recognition highlights the project’s contribution to the global effort to advance ocean science and sustainability.

While advisory in nature, the **document** is intended to inform a wide range of initiatives, from government-funded and philanthropic projects to developer-led mitigation activities. It identifies potential opportunities for action, sets out eleven co-developed guiding principles, and presents locally relevant case studies that showcase previous activities that have supported a sustainable marine environment in Shetland, providing examples of activities that are relevant and have been supported and beneficial to the Shetland community. These range from the Redd Up, Fishing for Litter, SSMO closed areas, and the Hermaness board walk.

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.

Graduates from the MA Art and Social Practice continue to undertake roles through their employment, businesses and self-employment that facilitate accessible learning opportunities that contribute to the community, including workshops in theatre and animation for young people in Shetland and the Highlands, and professional artists in the Highlands and Islands.

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Within the Creative Communities the New Directions programme is 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.

Working with the SIC Bridges project, to support disengaged young people in education, in the areas of Computing and Construction, the Technology, Maritime and Built Environment section hosted a total of 12 students evenly split between the two subject areas, the students who attend for the full course duration were all successful, giving an overall success rate of 83%. 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. This year saw one young person who started their college learning experience with Bridges / College in 2020 complete a four-year modern apprenticeship in Carpentry & Joinery SCQF level 6, continuing employment in the industry as a tradesperson.

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 for example in Aquaculture, Engineering, Deck and Engine Rating.

The student support team continues to offer a laptop loan scheme to priority learners. The team also promotes funding opportunities that are available through bursaries such as the recent scheme offered through the community benefit programme, publicising how to apply to apprentices and all students. Similarly grants such as are available through Disability Support Allowance (DSA) and for Care Experienced students are promoted.

A study room was made available to students in Lerwick when the librarian is not available, encouraging students to use the college's facilities rather than requiring equipment and saving on students' energy bills.

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Objective 6

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

UHI Shetland contributes as a partner to the Shetland Local Employability Partnership. It also supports the local Partnership Action for Continuing Employment (PACE) group.

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)

Work placement and work-based learning 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 Early Learning Childcare 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.

We worked collaboratively with SDS and Developing the Young Workforce in reinstating the Shetland Careers Fair in February 2025. 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.

On 12th December 2024, UHI Shetland hosted a 'Business Breakfast' which was promoted through Business Gateway, media and social media. Economic Development from the SIC and SDS also presented information about their support for local businesses.

UHI Shetland students can access the wider UHI Futures service, a careers service for all UHI students, with resources and support available from careers advisors and mentoring.

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Objective 7

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

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.

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 our Trauma Informed approach to learning. Two trauma informed champions from staff have been trained and the college has worked with CDN to develop a trauma informed action plan.

We have retained our student counsellor, and this year 106 hours counselling sessions were held with 13 students. We supported a student counsellor to help them gain experience for their HND, which added to our available provision. The most common reasons for people seeking counselling have been Mental Health Conditions, Anxiety, Abuse and Loss.

Student Support has created a room for neurodiverse students, launched in Spring, to allow students a quiet space, particularly over lunch times. Student support has partnered with HISA to deliver Feeling Fab (wellbeing) sessions to students.

Student support has arranged for Fast Forward, an organisation to support people with issues around online gambling and gaming, to come into the college in March to provide education for staff and students.

UHI Shetland has launched a new Corporate Parenting Plan, in line with our duties as a corporate parent and a member of the local *Meids* group for looked after and in care young people. The plan can be viewed here: [News - UHI Shetland launches new Corporate Parenting Plan](#). 19 senior staff and board members attended a Who Cares? Scotland, Corporate Parenting training session.

Throughout Academic Year 2024/25 we engaged in an exercise to visit all of the Shetland Community Councils, and other stakeholders, to understand the requirements of local provision and access to training. This activity of engaging with communities around Shetland will help inform future provision around learning needs in rural areas.

Objective 8

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

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The Creative Communities section offers programmes of study in the arts and humanities, in visual and performing arts from Skills for Work to PhD level. HE programmes are available in Cultural Heritage, Archaeology and History. 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.

Simon Clarke and Edina Szeles offered short courses for the local Shetland Wool Week on the Prehistory of Clothing and Introduction to Weaving. Wool Week is an extremely popular festival celebrating Shetland's textiles history with visitors from Shetland and afar.

Roxane Permar and Susan Timmins (Cold War Projects) gave the presentation 'Art and Engagement with the Cold War in Shetland and its Northern Neighbours' at the conference Cold War: Collective Memory and Identity at the Norwegian Aviation Museum, Bodø, Norway, June 2024. '

Roxane Permar organised and chaired a panel at the Arctic Congress in Bodø, Norway in May 2024 called 'Art and social practice in support of young people dealing with societal threats'. It was part of the Congress Session 'Inclusion and Empowerment of Young People of the North'. Members of the session included Mette Gårdvik, Karin Stoll and Wenche Sørmo (Nord Universitet, Nesna Campus) and Annamari Manninen (University of Lapland). Roxane Permar also gave a presentation in this panel for the Arctic Congress titled 'The Landscape in Pain: Art for shifting relations with the land' about my work, *Landscape in Pain*, and included other artists whose work was relevant to the theme who are graduates of our MA programme, Art and Social Practice

Roxane Permar participated in the Relate North 2024 research symposium, investigating the theme *New Genre Arctic Art and Design Education* and gave the presentation, 'Rethinking the 'social' in social art practice' in the thematic strand - New Materialism, Entanglements and Intra-disciplinary Dialogues in Art Education.

Roxane Permar led the Islands Matter seminar online for the UHI Institute of Northern Studies, 'The Landscape in Pain: Art for Shifting Relations with the Land' 18 March 2025. Members of the Shetland community were in attendance.

Roxane Permar Keynote presentation, 'Bloodlines: Kinship, Division and Island Power' at UHI/Falmouth University Symposium Island Narratives of Kinship, Place and the Weather, 3-4 April 2025. It was online and members of the Shetland community were in attendance.

Roxane Permar gave presentation at Kindred: Living in the Landscape 2025 at Nord University Nesna in May 2025.

June 2025 was exceptionally busy for our Creative students with *Vision 2025 Art Exhibition* open to the public with contributions from the Life Skills Eric Gray Students, NC Art and

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Design, Fine Art and MA Art and Social Practice Students. The show, which is open to the public for two weeks, was well received in the local media and public.

The UHI Student Showcase at Mareel delighted the audience on 5th June, with music from our talented students.

Objective 9

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

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.

Eleanor Hutcheon helped organise a successful Science Fair for school students in Shetland, a 2-day event in November. Various staff members contributed to this event and specialist activities were supported by a Royal Society of Biology Grant. The purpose of the event was to bring STEM learning all under one roof to over 300 S1-3 pupils across Shetland. UHI Shetland staff delivered informative STEM activities such as 'Workshop in eDNA and the Virtual Reality Aquaculture Simulator'. The eDNA activity was funded through a successful grant application to the Royal Society of Biology. The Royal Society were keen to support the youngsters learning how DNA analysis contributes to biodiversity research and conservation efforts. Pupils were able to explore molecular techniques and extract their own DNA using commercially available Bio-Rad Genes in a Bottle kits. They then learned about the processes involved in amplifying DNA and explore the usefulness of DNA sequencing in the context of environmental DNA (eDNA) for species detection and classification with resources available to take home.

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 2400 school children with the salmon farming industry in Shetland, the Highlands and Islands of Scotland, and other areas throughout the UK including Aberdeen, Edinburgh at the Royal Highland Show, and Grimsby. In collaboration with the Shetland Regional Inshore Fisheries group, a selection of 360 videos has been produced linked to the fishing and marine industries. These can be viewed within VR headsets or in UHI Shetland's

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immersive cube space on campus. 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. Online curriculum-linked learning units have been 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.

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.

UHI Shetland actively supported **Scottish Apprenticeship Week**, which was a social media success, with case studies, information and visits from Shetland's local MP and MSP all covered. Over apprenticeship week our Facebook views were up 68%, visits up 47% and an increase of 194% in content interactions.

Aquaculture, engineering and maritime staff were involved in a visit by Sound Primary School P5s while they were learning about 'The Sea'. The pupils had lots of fun exploring not only the subjects on offer at UHI including a hands-on taster of our engineering, aquaculture and maritime departments, but also opened their eyes to the vast array of STEM career opportunities available in Shetland.

UHI Shetland's Lerwick campus was the scene of a partnership between UHI Shetland, Shetland Construction Training Group and CITB where young people from S2 classes around the isles were invited to join in a day of literal Bridge Building; with the young people working in teams to construct bridges out of wood, in the pursuit of three prizes: Overall Winner, Best Teamwork and Best-looking Bridge. [News - Bridge Building a success!](#)

UHI Shetland and RSPB Shetland hosted Shetland's Sustainable Seas: Protecting, Managing and Restoring Marine Biodiversity, a free public conference and evening event celebrating and exploring the protection, management, and restoration of Shetland's marine ecosystems on 10th June 2025.

UHI Shetland engineering colleagues Howie, Rachel, and Maurice recently took part in the Shetland Celebration of STEM, an inspiring and fast-paced event aimed at engaging young people in science, technology, engineering, and maths.

The event brought together:

- 13 school groups
- 69 pupils
- 15 teachers and parents
- 28 STEM volunteers, speakers, and judges
- 10 STEM companies
- 117 total attendees (including the Stemovators team)

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Our team contributed to a packed day of careers talks, hands-on STEM challenges, judging, and supporting pupil presentations. The feedback was overwhelmingly positive from both teachers and pupils, with 100% of teachers indicating they would recommend the event and attend again.

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. With a range of staff engaged in the various workstreams operating to develop a full business case.

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 outcome framework 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.

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.

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.

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

SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

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.

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.

Empowering Shetland – led by Highlands and Islands Enterprise, the group includes local industry, ports, local authority and UHI Shetland. Focused on presenting One Shetland the group is an interface for large scale developers and investors. It seeks to grow capacity in Shetland to support large scale developments and will develop, promote and implement developer principles. It will be responsible for monitoring Shetland's energy strategy. Further as part of this work UHI Shetland has established and presently chairs the **Empowering skills group**

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.

Shetland Islands Council Workforce Development collaboration – growing and strengthening local provision of qualifications to support next generation of teachers, practitioners and support workers in Shetland education system. We provide PAT support, observations and teaching for PGDE primary and secondary programmes, which supports the SIC aim to 'grow their own' teachers. Similarly, we continue to offer a suit of qualifications and progression pathways to support the SSSC registration requirements for ELC/CYP and Social Care workers, practitioners and managers.

UHI 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.

SHETLAND UHI REPORT OF THE TRUSTEES AND STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

Islands Deal: Shetland UHI contributed strongly to the development and implementation 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.

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.

Approved by order of the members of the Board of Management on 10 December 2025 and signed on its behalf of:

Name: Stephen Leask
Chair

Name: Mason Robbins
Vice-Chair

SHETLAND UHI

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2025

This document has been prepared in line with the Scottish Funding Council's Account Direction for Scotland's Colleges 2024-25 for non-incorporated colleges.

The institution complies with all the principles of the 2022 Code of Good Governance for Scotland's Colleges, and it has complied throughout the year ending 31 July 2025.

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 and supported by the Regional Strategic Body (UHI).

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.

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

SHETLAND UHI STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONT'D) FOR THE YEAR ENDED 31 JULY 2025

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

Members of the Board of Management

Claire Christey	Independent Director, Chair of Audit Committee
Simon Clarke	Teaching Staff Director
John Goodlad	Independent Director
Karen Hall	Independent Director, Chair of Learning, Teaching and Research Committee, Senior Independent Member
Daniel Lawson	Independent Director
Jane Lewis	Executive Director, Principal and Chief Executive
Selina-May Miller	Non-Teaching Staff Director
Valerie Nicolson	Independent Director, Vice Chair of Learning, Teaching and Research Committee
Mason Robbins	Independent Director, Vice Chair of Audit Committee, Interim Chair of the Board of Management, Vice Chair of the Board of Management, Vice Chair of Search and Nominations Committee
Brian Smith	Independent Director, Vice Chair of Finance and General Purposes Committee, Chair of Finance and General Purposes Committee
Maria Bell	Independent Director (Resigned 31 st July 2025)
Lauren Doughton	Independent Director (Resigned 12 th December 2024), Co-opted member of Audit 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 (Resigned 11 th December 2024)
Keith Massey	Student Director (resigned 14 th November 2024)
David Sandison	Independent Director, Chair of the Board of Management, Chair of Search and Nominations Committee, Interim Chair of Human Resources and Remuneration Committee (resigned 11 th December 2024)
Andrew Anderson	Trade Union Director Teaching Staff (appointed 19 th July 2025)
Andrew Garrick	Independent Director, Vice Chair of Finance and General Purposes Committee (appointed 14 th January 2025)
Harley Green	Student Director (appointed 26 th June 2024)

SHETLAND UHI
**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONT'D)
FOR THE YEAR ENDED 31 JULY 2025**

Mark Green	Independent Director, Chair of Human Resources and Remuneration Committee (appointed 23 rd August 2024)
Amanda Hawick	Independent Director, Vice Chair of Human Resources and Remuneration Committee (appointed 25 th August 2024)
Stephen Leask	Independent Director, Chair of the Board of Management, Chair of Search and Nominations Committee (appointed 9 th June 2025)

The Board and its sub-committees met on a quarterly cycle in academic year 2024/2025:

21/08/2024	Finance and General Purposes Committee
28/08/2024	Search and Nominations Committee
04/09/2024	Human Resources and Remuneration Committee
11/09/2024	Audit Committee
18/09/2024	Learning, Teaching and Research Committee
25/09/2024	Finance and General Purposes Committee
02/10/2024	Search and Nominations Committee
09/10/2024	Board of Management
30/10/2024	Finance and General Purposes Committee
06/11/2024	Learning, Teaching and Research Committee
13/11/2024	Audit Committee
20/11/2024	Human Resources and Remuneration Committee
04/12/2024	Joint Audit and Finance and General Purposes Committee
11/12/2024	Annual General Meeting (AGM)
11/12/2024	Extraordinary Board of Management
14/01/2025	Learning, Teaching and Research Committee
15/01/2025	Board of Management
22/01/2025	Finance and General Purposes Committee
12/02/2025	Human Resources and Remuneration Committee
19/02/2025	Learning, Teaching and Research Committee
28/02/2025	Finance and General Purposes Committee
05/03/2025	Search and Nominations Committee
02/04/2025	Board of Management
23/04/2025	Finance and General Purposes Committee
30/04/2025	Audit Committee
07/05/2025	Search and Nominations Committee
14/05/2025	Human Resources and Remuneration Committee
21/05/2025	Learning, Teaching and Research Committee
04/06/2025	Audit Committee
18/06/2024	Finance and General Purposes Committee
28/06/2025	Board of Management
23/07/2025	Finance and General Purposes Committee

SHETLAND UHI
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONT'D)
FOR THE YEAR ENDED 31 JULY 2025

Board Members attendance

Name	Total	Board of Management	AGM	Committees					
				Audit	Joint Audit with F&GP	F&GP	HR&R	LT&R	SNC
Claire Christey	20/22 91%	6/7 86%	0/1 0%	4/4 100%	1/1 100%		4/4 100%		5/5 100%
Simon Clarke	17/18 94%	6/7 86%	1/1 100%					5/5 100%	5/5 100%
John Goodlad	4/18 22%	3/7 43%	0/1 0%					1/5 20%	0/5 0%
Karen Hall	16/22 73%	5/7 71%	0/1 0%				3/4 75%	4/5 80%	4/5 80%
Daniel Lawson	12/25 48%	4/7 57%	1/1 100%		1/1 100%	5/11 46%		1/5 20%	
Jane Lewis	35/38 92%	7/7 100%	1/1 100%	3/4 75%	1/1 100%	11/11 100%	4/4 100%	4/5 80%	4/5 80%
Selina-May Miller	18/21 86%	7/7 100%	1/1 100%		1/1 100%	6/9 67%	3/3 100%		
Valerie Nicolson	15/18 83%	5/7 71%	1/1 100%	4/4 100%	1/1 100%			4/5 80%	
Mason Robbins	14/19 74%	6/7 86%	1/1 100%	1/4 25%	1/1 100%	6/6 100%	2/3 67%		3/3 100%
Brian Smith	26/27 96%	7/7 100%	1/1 100%		1/1 100%	11/11 100%		4/5 80%	2/2 100%
Maria Bell	7/20 35%	3/7 43%	1/1 100%		0/1 0%	3/11 27%			
Lauren Doughton	5/8 63%	1/2 50%	1/1 100%	2/2 100%	1/1 100%			0/2 0%	
Graeme Howell	9/11 82%	1/1 100%	1/1 100%		1/1 100%	3/4 75%	1/2 50%		2/2 100%

SHETLAND UHI

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONT'D) FOR THE YEAR ENDED 31 JULY 2025

Board Members attendance

Keith Massey	3/6 50%	1/1 100%				1/3 33%		1/2 50%	
David Sandison	11/11 100%	1/1 100%	1/1 100%		1/1 100%	4/4 100%	2/2 100%		2/2 100%
Andrew Anderson	1/1 100%	1/1 100%							
Andrew Garrick	11/11 100%	5/5 100%							
Harley Green	17/18 94%	7/7 100%	1/1 100%			1/1* 100%		4/5 80%	5/5 100%
Mark Green	11/17 65%	6/7 86%	0/1 0%	1/2 50%	1/1 100%		2/4 50%		
Amanda Hawick	6/17 35%	3/7 43%	0/1 0%	1/4 25%	0/1 0%		2/4 50%		
Stephen Leask	3/3 100%	2/2 100%				1/1 100%			

Trade Union (Facility Time Publication)

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the college provided the following support through paid facility time for union officials working at the college during the year ended 31 March 2025.

Number of employees who were relevant union officials during the relevant period:	Full-time equivalent employee number:
2	0.20
Percentage of time spent on facility time	
Percentage	Number of employees
0%	-
1% - 50%	2
51% - 99%	-
100%	-
Percentage of pay bill spent on facility time	
Total cost of facility time:	£10,606.30
Total Pay bill:	£5,480.000
Percentage of the total pay bill spent on facility time	0.19%

SHETLAND UHI**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONT'D)
FOR THE YEAR ENDED 31 JULY 2025**

Paid Trade Union activities	
Time spent on trade union activities as a percentage of total paid facility time hours:	283

Risk

The Board acknowledges the risks inherent in Shetland UHI's activities and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

The Board has overall responsibility for ensuring there is a common approach to the management of those risks which pose a significant threat to the achievement of its business objectives and financial health. This will be achieved through the development and implementation of a structured risk management process.

UHI Shetland adopted the UHI Common Risks which are as follows:

1. Failure to achieve allocated HE student number targets
2. Failure to achieve allocated FE credit targets
3. Reputational risk
4. Disruption to services or working due to a loss of a key staff member
5. Non-compliance with relevant statutory regulations
6. Governance failure
7. Financial failure
8. Estate not fit for purpose
9. Academic quality is sub-standard
10. Poor student experience
11. Research outputs are substandard
12. Loss or misuse of data or disruption due to malicious external activity
13. Climate change

UHI Shetland also adopted a local Business Continuity Plan Risk as Risk 14.

All above Risks are regularly reviewed at the fortnightly Senior Management Group meeting and reviewed at the quarterly Audit Committee meetings.

Fair Work First

UHI Shetland adheres to Fair Working Practices, and the full document can be found on our website. [Statement-of-Fair-Work-Practices-at-UHI-Shetland-2025.pdf](#)

We are an accredited Living Wage employer ([Employer Directory - Living Wage Scotland](#)).

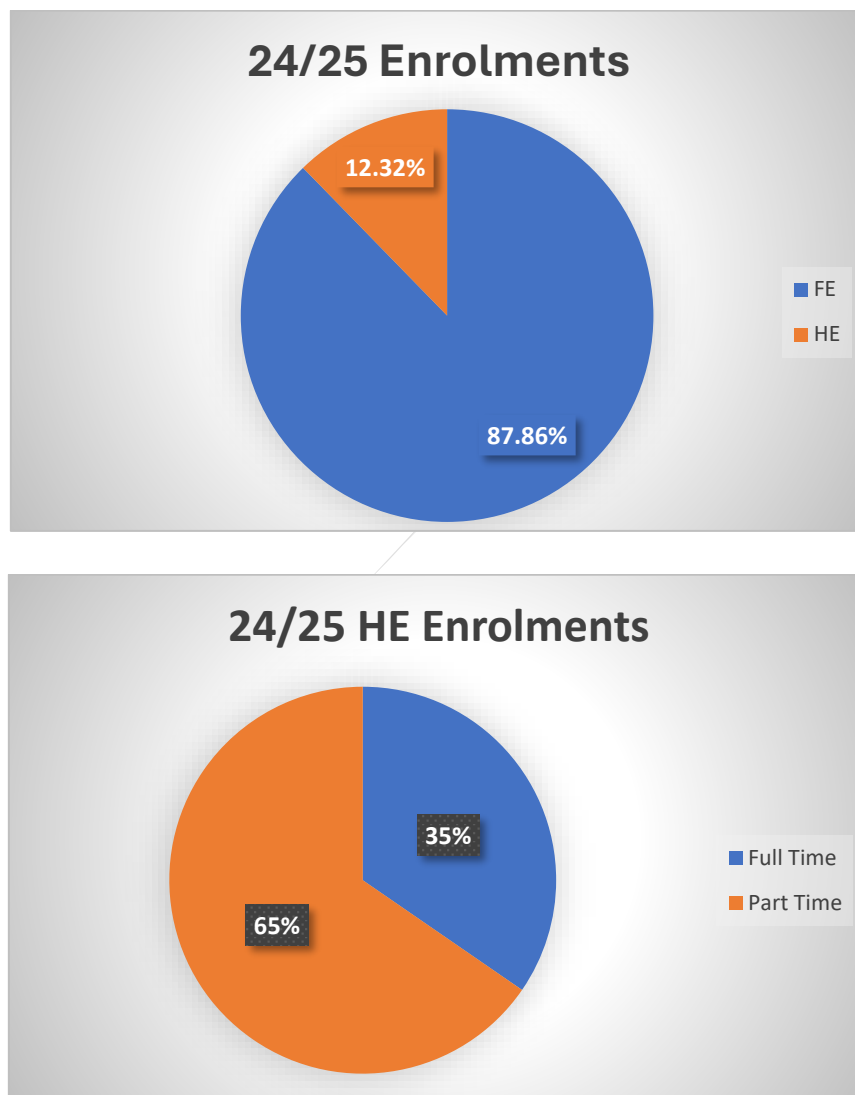
SHETLAND UHI

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONT'D) FOR THE YEAR ENDED 31 JULY 2025

We recognise two unions - EIS-FELA and UNISON and we have a local committee for formal discussions with union colleagues.

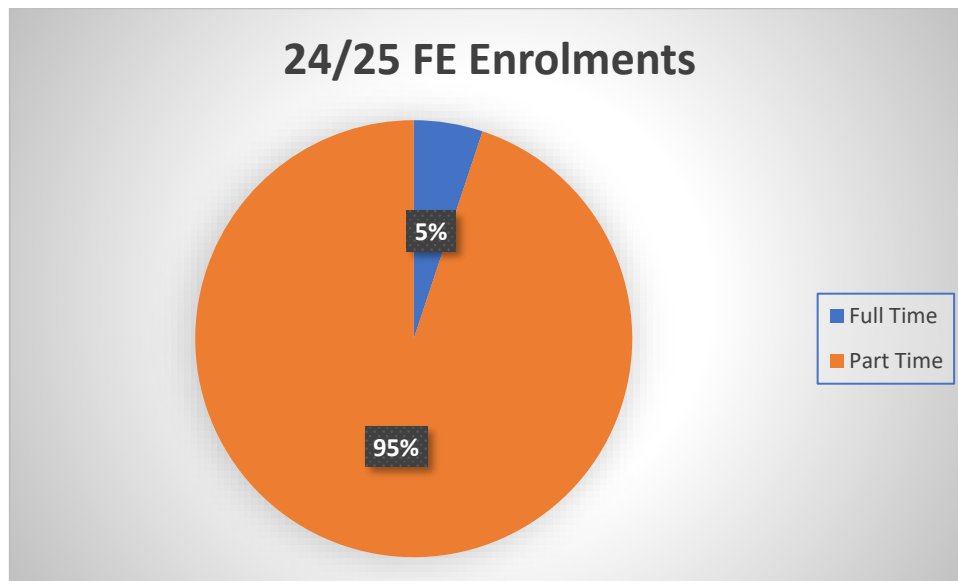
As an equal opportunity employer we are committed to diversity and inclusion, and this is illustrated through our membership with enei (the employers network for equality and inclusion) and being accredited with Disability Confident Committed.

Summary of student numbers



SHETLAND UHI

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONT'D) FOR THE YEAR ENDED 31 JULY 2025



- Student full time FE numbers were up by 37.9%
- UHI Shetland delivered 109% credit target
- UHI Shetland did not meet the expected HE target of 124.4 FTE, having achieved 113.5 FTE.

Approved by order of the members of the Board of Management on 10 December 2025 and signed on its behalf of:

Name: Stephen Leask
Chair

Name: Mason Robbins
Vice-Chair

SHETLAND UHI STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31 JULY 2025

The Trustees (who are directors for the purposes of company law) are responsible for preparing the Board Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of its incoming resources and application of resources of the charitable company and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 presume that the charitable company and the group will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Management on 10 December 2025 and signed on its behalf of:

Name: Stephen Leask
Chair

Name: Mason Robbins
Vice-Chair

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SHETLAND UHI
FOR THE YEAR ENDED 31 JULY 2025****Opinion**

We have audited the financial statements of Shetland UHI (the 'charitable company') for the year ended 31st July 2025 which comprise the Statement of Financial Activities (including an income and expenditure account), the Statement of Changes in Reserves, 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 31st July 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SHETLAND UHI
FOR THE YEAR ENDED 31 JULY 2025****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 contained within the Trustees Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report which includes the directors' report.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SHETLAND UHI
FOR THE YEAR ENDED 31 JULY 2025****Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 regulations made under those Acts.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SHETLAND UHI
FOR THE YEAR ENDED 31 JULY 2025**

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

- 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 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:

- Scrutinised the general ledger for the following:
 - Duplicate journal entries;
 - Unbalanced journal entries;
 - Journal references out of order;
 - Rounded journal entries; and
 - Journals with detail which included key phrases or words.
- Reviewed key judgements and estimates for any evidence of management bias.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
SHETLAND UHI
FOR THE YEAR ENDED 31 JULY 2025**

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Date: 10 December 2025

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2025**

		2025	2024
		£'000	£'000
	Note		
Income			
Funding council grants	3	3,420	3,712
Tuition fees and education contracts	4	1,716	1,532
Other grants and contracts	5	1,174	1,033
Other income	6	432	467
Investment Income	7	253	194
Total Income		6,995	6,938
Expenditure on:			
Staff costs	8	5,387	6,238
Other operating expenses	9	1,791	1,880
Depreciation	13	126	100
Interest and other finance costs	10	4	4
Total Expenditure		7,308	8,222
(Deficit) before other gains and losses		(313)	(1,284)
Actuarial loss in respect of pension schemes	20	(317)	(197)
Total Comprehensive Expenditure for the year		(630)	(1,481)
Represented by:			
Unrestricted comprehensive (expenditure) for the year		(630)	(1,481)

The notes on pages 48 to 63 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2025

	General Reserve £'000	Total £'000
Balance at 31 July 2023	(1,061)	(1,061)
(Deficit) from the income and expenditure account	(1,284)	(1,284)
Other comprehensive income	(197)	(197)
Balance at 31 July 2024	<u>(2,542)</u>	<u>(2,542)</u>
 Balance at 31 July 2024	 (2,542)	 (2,542)
(Deficit) from the income and expenditure account	(313)	(313)
Other comprehensive income	(317)	(317)
Total comprehensive (expenditure) for the year	<u>(630)</u>	<u>(630)</u>
 Balance at 31 July 2025	 <u>(3,172)</u>	 <u>(3,172)</u>

SHETLAND UHI
**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2025**

	Note	2025 £'000	2024 £'000
Fixed assets:			
Tangible assets	13	476	536
Total Fixed Assets		<u>476</u>	<u>536</u>
Current assets:			
Stocks	14	1	1
Debtors	15	677	495
Cash at bank and in hand	16	672	1,266
		<u>1,350</u>	<u>1,762</u>
Liabilities:			
Creditors falling due within one year	17	(2,222)	(4,482)
Net Current (Liabilities)		<u>(872)</u>	<u>(2,720)</u>
Creditors falling due after more than one year	18	(2,776)	(358)
Provisions:			
Defined benefit pension scheme liability	20	-	-
Net (Liabilities)		<u>(3,172)</u>	<u>(2,542)</u>
Unrestricted Funds:			
Unrestricted reserves		(3,172)	(2,542)
Total reserves		<u>(3,172)</u>	<u>(2,542)</u>

The notes on pages 48 to 63 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: Stephen Leask
Chair

Date: 10th December 2025

Name: Mason Robbins
Vice-Chair

Company No: SC646337

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2025**

	Note	2025	2024
		£'000	£'000
<i>Cash flows from operating activities:</i>			
(Deficit) for the year		(313)	(1,284)
Adjustment for non-cash items			
Depreciation	13	126	100
(Increase)/Decrease in debtors		(182)	37
(Decrease)/Increase in creditors due within one year		(2,765)	272
Increase in creditors due after one year		2,418	172
Net pension costs – FRS102 adjustments	20	(317)	(197)
Interest payable		4	4
Interest receivable		(9)	(6)
Net cash (used in) operating activities		<u>(1,038)</u>	<u>(902)</u>
<i>Cash flows from investing activities:</i>			
Purchase of tangible fixed assets	13	<u>(66)</u>	<u>(235)</u>
Net cash (used in) investing activities		<u>(66)</u>	<u>(235)</u>
<i>Cash flows from financing activities:</i>			
Interest payable		(4)	(4)
Advance in funding		600	2,295
Funding paid to UHI		-	(236)
Interest received		9	6
Repayment of amounts borrowed		<u>(95)</u>	<u>-</u>
Net cash provided by financing activities		<u>510</u>	<u>2,061</u>
Change in cash and cash equivalents in the year		<u>(594)</u>	<u>924</u>
Cash and cash equivalents brought forward	16	1,266	342
Cash and cash equivalents carried forward	16	<u>672</u>	<u>1,266</u>

SHETLAND UHI
**CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025**
Analysis of changes in net debt

	At 1 August 2024 £'000	Cash flows £'000	At 31 July 2025 £'000
Cash at bank and in hand	1,266	(594)	672
Debt due within 1 year	95	(95)	-
	<u>1,361</u>	<u>(689)</u>	<u>672</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025****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 reasonable 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 2025****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

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025****1. Accounting policies (continued)**

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.

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.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025**

1. Accounting policies (continued)

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

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

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025**

1. Accounting policies (continued)

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.

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 2025**

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. 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 20, will impact the carrying amount of the pension liability.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025**

2 Critical accounting judgements and estimation uncertainty (continued)

- 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

	2025	2024
	£'000	£'000
SFC recurrent grant (including fee waiver)	2,463	2,435
UHI recurrent grant – HE provision	806	802
Other SFC/RSB grants - FE provision	151	475
Total	3,420	3,712

4 Tuition fees and education contracts

	2025	2024
	£'000	£'000
FE fees – UK	220	335
HE fees	286	365
SDS contracts	560	546
Other contracts	650	286
Total	1,716	1,532

5 Other grants and contracts

	2025	2024
	£'000	£'000
European Funds	96	1
Other Grants	1,078	1,032
Total	1,174	1,033

6 Other income

	2025	2024
	£'000	£'000
Catering and Residences	73	110
Donations	4	2
Management Fees	55	61
Consultancy	56	62
Other income	244	232
Total	432	467

SHETLAND UHI

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2025

7 Investment Income

	2025	2024
	£'000	£'000
Bank Interest	9	6
FRS 102 Pension Adjustment	244	188
Total	253	194

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:

	2025	2024
	No.	No.
Academic & Teaching Departments	36	40
Research Grants & Contracts	14	16
Administration & Central Services	37	45
Premises	3	4
Catering & Residencies	1	1
Total	91	106

Staff costs for the above persons:

	2025	2024
	£'000	£'000
Wages and salaries	4,031	4,552
Social security costs	454	480
Other pension costs	916	953
Sub Total	5,401	5,985
FRS 102 adjustment	(73)	(9)
Sub Total	5,328	5,976
Restructuring costs:		
Contractual	59	262
Non-contractual	-	-
Total	5,387	6,238

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:

	2025	2024
£10,001 to £20,000	1	-
£30,001 to £40,000	1	2
£50,001 to £60,000	1	-
£60,001 to £70,000	2	1
£70,001 to £80,000	1	1
£80,001 to £90,000	-	1
	6	5

SHETLAND UHI

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2025

8 Staff costs and key management personnel remuneration (continued)

Key management personnel total remuneration is made up as follows:

	2025	2024
	£'000	£'000
Wages and salaries	308	299
Social security costs	38	35
Other pension costs	71	68
Total	417	402

The above compensation includes amounts paid to the Principal & Chief Executive. Their pay and remuneration is as follows:

	2025	2024
	£'000	£'000
Basic Salary	56	88
Employer's National Insurance	7	11
Employer's Pension Contribution	14	21
Total	77	120

9 Other operating expenses

	2025	2024
	£'000	£'000
Teaching costs	579	615
Non-teaching costs	658	699
Premises costs	554	566
Total	1,791	1,880

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

	2025	2024
	£'000	£'000
Depreciation	126	100
Auditor's remuneration – audit fees	20	20
Lease commitments	39	39

10 Interest and other finance costs

	2025	2024
	£'000	£'000
On bank loans, overdrafts and other loans	4	4
Total	4	4

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 2025

12 Related party transactions

Total expenses paid to the Trustees in the year equalled £398 (2024: £210) and £Nil was paid to the Board Secretary (2024: £nil).

No expenses were waived for any Trustees (2024: £nil).

There were no donations made by any trustees during the year (2024: 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 £59,875 (2024: £104,855) was due from UHI and £2,407 (2024: £116,382) was due to UHI and £600,000 (2024: £1,075,338) monies paid as advance.

During the year income of £3,333,905 (2024: £3,627,321) was received in relation to funding body grants and £299,529 (2024: £229,190) from research grants. There were net sales of £170,586 (2024: £168,484) and costs of £90,725 (2024: £116,382) was paid to UHI.

13 Tangible fixed assets

	Leasehold Property £'000	Boats & alterations £'000	Vehicles £'000	Fixtures & fittings £'000	Total £'000
Cost					
At 1 August 2024	4,304	315	33	2,834	7,486
Additions	-	-	-	66	66
At 31 July 2025	4,304	315	33	2,900	7,552
Depreciation					
At 1 August 2024	4,256	284	33	2,377	6,950
Charge for year	3	6	-	117	126
At 31 July 2025	4,259	290	33	2,494	7,076
Net Book Value at 31 July 2025	45	25	-	406	476
Net Book Value at 31 July 2024	48	31	-	457	536

14 Stock

	2025 £'000	2024 £'000
Stock	1	1
Total	1	1

SHETLAND UHI

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2025

15 Debtors

	2025	2024
	£'000	£'000
Trade debtors	308	296
Prepayments and accrued income	382	212
Provision for bad debts	(13)	(13)
Total	677	495

16 Cash and cash equivalents

	2025	2024
	£'000	£'000
Cash and cash equivalents	672	1,266
Total	672	1,266

17 Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Advance Payment	1,300	3,114
Loans	-	95
Trade creditors	162	216
Accruals and deferred income	425	618
Credit Cards	3	8
Other taxation and social security	115	200
Pension Fund	105	152
Other creditors	49	49
Deferred capital grants	63	32
Total	2,222	4,482

18 Creditors: amounts falling due after one year

	2025	2024
	£'000	£'000
Deferred capital grants	362	358
Loans	2,414	-
Total	2,776	358

SHETLAND UHI

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2025

19 Financial instruments

The College has the following financial instruments:

Financial assets	2025	2024
Debt instruments measured at amortised cost:	£'000	£'000
Trade debtors	308	296
Accrued income	382	212
Total	690	508

Financial liabilities	2025	2024
Financial liabilities measured at amortised cost:	£'000	£'000
Trade creditors	162	216
Monies received in advance	1,300	3,114
Accruals	170	462
Total	1,632	3,792

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:

	2025	2024
	£'000	£'000
Shetland Islands Council Pension Fund:		
Contributions paid	607	612
Charge to Statement of Comprehensive Income	607	612
Total pension cost for the year within staff costs	607	612

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 July 2025 by a qualified independent actuary.

	2025	2024
	£'000	£'000
Rate of increase in salaries	2.75%	2.75%
Future pension increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	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 2023 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 2025

20 Retirement benefits (continued)

	2025 £'000	2024 £'000
Current pensioners		
Males	22.3	22.1
Females	24.0	24.0
Future pensioners		
Males	22.8	22.6
Females	25.3	25.2

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

	2025 £'000	2024 £'000
Equities	77%	78%
Bonds	5%	4%
Property	16%	17%
Cash	2%	1%
Total fair value of plan assets	<u>100%</u>	<u>100%</u>
Actual return on plan assets	<u>672</u>	<u>1,309</u>

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

	2025 £'000	2024 £'000
Fair value of plan assets	22,431	19,976
Present value of plan liabilities	13,860	15,135
Restriction of pension asset	(8,571)	(4,841)
Net pensions asset / (liability)	<u>-</u>	<u>-</u>

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

	2025 £'000	2024 £'000
Amounts included in staff costs:		
Current service cost	(513)	(547)
Past service cost	(21)	(56)
Total	<u>(534)</u>	<u>(603)</u>
Amounts included in interest receivable:		
Net interest on defined pension liability	244	188
Total	<u>244</u>	<u>188</u>

SHETLAND UHI

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2025

20 Retirement benefits (continued)

	2025 £'000	2024 £'000
Amount recognised in Other comprehensive Income:		
Return on pension plan assets	941	1,176
Experience losses arising on defined benefit obligations	139	(930)
Changes in assumptions underlying the present value	2,333	660
Restriction of pension asset	(3,730)	(1,103)
Amount recognised in Other Comprehensive Income	(317)	(197)

Movement in net defined liability during the year	2025 £'000	2024 £'000
Defined benefit obligations at start of period	4,841	3,738
Current service cost	(513)	(547)
Employer contributions	607	612
Past service costs	(21)	(56)
Net interest on the defined liability	244	188
Actuarial loss	3,413	906
Defined benefit asset at 31 July 2025	8,571	4,841

Changes in the present value of defined benefit obligations	2025 £'000	2024 £'000
Defined benefit obligations at start of period	15,135	13,285
Current service cost	513	547
Interest cost	767	676
Contributions by scheme participants	165	168
Actuarial (gains)/ losses	(2,472)	746
Benefits paid	(269)	(343)
Past service cost	21	56
Defined benefit obligations at end of period	13,860	15,135

Changes in fair value of plan assets	2025 £'000	2024 £'000
Fair value of plan assets at start of period	19,976	17,023
Interest income	1,011	864
Employer contributions	607	612
Contributions by scheme participants	165	168
Actuarial gains	941	1,652
Benefits paid	(269)	(343)
Fair value of plan assets at end of period	22,431	19,976

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025**

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 2023.

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 2024. 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 2025.

The pension costs paid to TPS in the year amounted to £396,000.

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.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2025

21 Financial commitments under operating leases

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

	2025	2024
	£'000	£'000
Payments due:		
Not later than one year	39	39
Later than one year and not later than five years	368	315
Later than five years	1,472	1,564
Fair value of plan assets at end of period	1,879	1,918

22 Capital Commitments

	2025	2024
	£'000	£'000
Capital commitments	33,215	-

23 Post balance sheet events

There are no post balance sheet events to note.