

Nairn Drama Limited
(A company limited by guarantee)
Report and Financial Statements
Year ended 28 February 2003



Johnston Carmichael
Chartered Accountants
Nevis House
Beechwood Park
Inverness
IV2 3BW

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Legal and Administrative Information

Directors:	Lee Cruickshank Simon Fraser Sandra McGowan
Secretary:	Elizabeth Mayberry
Company Number:	SC215744
Charity Number:	SCO13628
Registered Office:	Cobelachan Moss-side Nairn IV12 5NR
Bankers:	Bank of Scotland 73 High Street Nairn IV12 4TW
Solicitors:	R & R Urquhart (incorporating MacGregor & Co) Royal Bank of Scotland Buildings 20 High Street Nairn IV12 4AX
Accountants:	Johnston Carmichael Nevis House Beechwood Business Park Inverness IV2 3BW

Report of the directors for the year ended 28 February 2003

The directors submit their annual report and the financial statements for the year ended 28 February 2003. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee. None of the directors have any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up. Its objects are the running of a theatre. The policies adopted in furtherance of these objects are as detailed in the charity's memorandum and Articles of Association and there has been no change in these during the year.

Review of activities and future developments

The Statement of Financial Activities for the year is set out on page 4 of the financial statements. A summary of the financial results and the work of the charity is set out below.

Income Generation

The company received funding of £41,295 from the Scottish Arts Council to support its activities. The company retained a surplus of £24, which has been allocated to the general fund.

Reserves

The charity operates two main reserves (see note 8). The general reserve represents unrestricted funds arising from past operating results and includes £30,000, which relates to the donated value of land. The restricted fund is a capital fund relating to the building of the Theatre.

Directors' Responsibilities

Company and charity law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The directors have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 29 September 2003

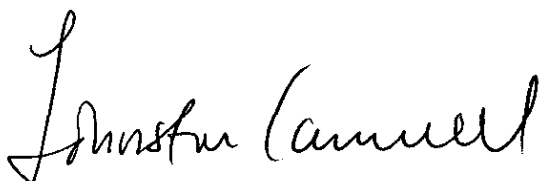
(E Mayberry)

Secretary



Accountants' Report to the Directors on the Unaudited Accounts of Nairn Drama Limited

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 28 February 2003, set out on pages 4 to 9, and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, from the accounting records and information and explanations supplied to us.



Johnston Carmichael
Chartered Accountants and
Registered Auditor
Nevis House
Beechwood Park
Inverness
IV2 3BW

28 September 2003

Nairn Drama Limited

**Statement of Financial Activities
for the year ended 28 February 2003**

	Notes	Unrestricted Funds £	Restricted Funds £	2003 £	2002 £
Incoming resources					
Activities in furtherance of the Charity's objectives					
- Grants		-	48,987	48,987	19,430
Activities for generating funds					
- admissions		5,931	-	5,931	5,871
Donations		-	500	500	-
Investment income		1,909	-	1,909	99
Other income		373	-	373	-
Total incoming resources		8,213	49,487	57,700	25,400
Resources expended					
Cost of generating funds					
- Production costs		2,428	-	2,428	1,843
		2,428	-	2,428	1,843
Charitable expenditure					
Costs of activities in the furtherance of the charity's objectives	2				
- running costs		3,744	-	3,744	5,100
Management and administration		2,017	-	2,017	1,278
Total charitable expenditure		5,761	-	5,761	6,378
Total resources expended		8,189	-	8,189	8,221
Net incoming resources/(resources expended) before transfer					
Transfer between funds		-	-	-	-
Net incoming resources/(resources expended)		24	49,487	49,511	17,179
Fund balance at 1 March 2002		31,295	43,158	74,453	57,274
Fund balance at 28 February 2003		31,319	92,645	123,964	74,453

The notes on pages 6 to 9 form an integral part of these financial statements.

Nairn Drama Limited

**Balance Sheet
As at 28 February 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	5		93,248		47,250
Current Assets					
Stocks		-		-	
Debtors	6	9,902		-	
Cash at bank and in hand		27,035		27,853	
		<u>36,937</u>		<u>27,853</u>	
Creditors: amounts falling due within one year	7	<u>(6,221)</u>		<u>(650)</u>	
Net Current Liabilities			<u>30,716</u>		<u>27,203</u>
Total Assets Less Current Liabilities			<u><u>123,964</u></u>		<u><u>74,453</u></u>
Funds					
Restricted fund	8		92,645		43,158
Unrestricted	8		<u>31,319</u>		<u>31,295</u>
Total Funds			<u><u>123,964</u></u>		<u><u>74,453</u></u>

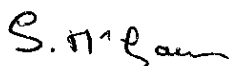
The company is entitled to the exemption from the audit requirements contained in section 249A(1) of the Companies Act 1985, for the year ended 28 February 2003. No member of the company has deposited a notice, pursuant to section 249B(2), requiring an audit of these accounts.

The directors acknowledge their responsibilities for:

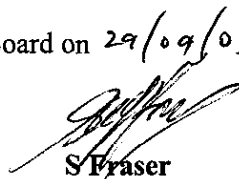
- (a) ensuring that the company keeps accounting records which comply with section 221 of the Act; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company at 28 February 2003 and of its surplus for the period then ended in accordance with section 226, and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 29/09/03 and signed on its behalf by



S McGowan
Director



S Fraser
Director

The notes on pages 6 to 9 form an integral part of these financial statements

**Notes forming part of the financial statements
for the year ended 28 February 2003**

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

(b) Company status

The charity is a company limited by guarantee. The members of the company are the directors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

There were no donated assets received by the charity. No amounts are included in the financial statements for services donated by volunteers.

(e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**Notes forming part of the Financial Statements
for the year ended 28 February 2003**

.....continued

(f) Tangible fixed assets and depreciation

Tangible fixed assets comprise land of £30,000 and development costs in connection with the proposed new Theatre. No depreciation has been provided on land and development costs. The development costs will be amortised once the the new building has been completed and brought into use.

2 (a) Incoming resources

All incoming resources have been generated from activities in the UK. Grants were received as follows:

	2003 £	2002 £
Inverness & Nairn Enterprise	7,692	-
Lloyds TSB Foundation	-	9,000
Scottish Arts Council	41,295	9,430
Sundry grants	-	1,000
	<u>48,987</u>	<u>19,430</u>

(b) Support costs, management and administration costs

	Running Costs		Management and Administration	
	2003 £	2002 £	2003 £	2002 £
Rates	284	2,033	-	-
Insurance	890	650	-	-
Light and heat	1,184	1,118	-	-
Repairs and maintenance	-	1,299	-	-
Unit rent	1,386	-	-	-
Subscriptions	-	-	172	191
Accountancy and tax fees	-	-	1,230	650
Professional fees	-	-	500	-
Company formation	-	-	-	252
General expenses	-	-	115	185
	<u>3,744</u>	<u>5,100</u>	<u>2,017</u>	<u>1,278</u>

4 Employees

The company had no paid employees during the current or previous year. As such, there were no employees whose annual emoluments were £50,000 or more.

None of the trustees (or any persons connected with them) received any remuneration or reimbursement of expenses during the period.

Notes forming part of the Financial Statements
for the year ended 28 February 2003

.....continued

5 Tangible fixed assets

	Land and Development £	Total £
Cost		
At 1 March 2002	47,250	47,250
Additions	45,998	45,998
Disposals	-	-
At 28 February 2003	<u>93,248</u>	<u>93,248</u>
Depreciation		
At 1 March 2002	-	-
On disposals	-	-
Charge for the year	-	-
At 28 February 2003	<u>-</u>	<u>-</u>
Net book value		
At 28 February 2003	<u>93,248</u>	<u>93,248</u>
At 28 February 2002	<u>47,250</u>	<u>47,250</u>

6 Debtors

	2003 £	2002 £
Other debtors	<u>9,902</u>	<u>-</u>

**7 Creditors: amounts falling due
within one year**

	2003 £	2002 £
Bank overdraft	3,716	-
Other taxes and social security costs	-	-
Accruals and deferred income	<u>2,505</u>	<u>650</u>
	<u>6,221</u>	<u>650</u>

**Notes forming part of the Financial Statements
for the year ended 28 February 2003**

.....continued

8 Fund Allocation

	Balance 01-Mar-02 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 28-Feb-03 £
Restricted Fund					
Building fund	43,158	49,487	-	-	92,645
Unrestricted Fund					
General Fund	1,295	8,213	(8,189)	(5,931)	(4,612)
Designated Fund	30,000	-	-	5,931	35,931
	31,295	8,213	(8,189)	-	31,319
Total Fund	74,453	57,700	(8,189)	-	123,964

Restricted funds:-

The restricted fund represents capital funding received from various sources for the upgrade of the new Theatre.

Unrestricted Funds:-

Included within unrestricted funds is £5,931 of funds which the directors have designated to the development fund. These monies were collected from the drama productions held in the year.

9 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 28 February 2003			
Tangible fixed assets	30,000	63,248	93,248
Current assets	7,540	29,397	36,937
Creditors: amounts falling due within one year	(6,221)	-	(6,221)
	31,319	92,645	123,964