

SC 215744

Nairn Drama Limited
(A company limited by guarantee)
Report and Financial Statements
Year ended 29 February 2004

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 29 February 2004

The directors submit their annual report and the financial statements for the year ended 29 February 2004. 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 £283,080 from the Scottish Arts Council to support its activities. The company generated a deficit of £3,816, 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 5 NOVEMBER 2004

E Mayberry

Secretary



Nairn Drama Limited

Independent Auditors' Report to the Members of Nairn Drama Limited

We have audited the financial statements of Nairn Drama Limited for the year ended 29 February 2004 as detailed on pages 4 to 9. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 of the company's financial statements the directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

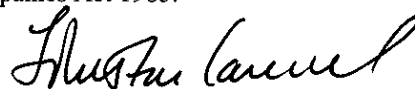
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 February 2004 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 November 2004

Nevis House
Beechwood Park
Inverness
IV2 3BW



Johnston Carmichael
Chartered Accountants and
Registered Auditors

Nairn Drama Limited

**Statement of Financial Activities
for the year ended 29 February 2004**

		Unrestricted Funds	Restricted Funds	2004	2003
	Notes	£	£	£	£
Incoming resources					
Activities in furtherance of the Charity's objectives					
- Grants	2(a)	-	416,149	416,149	48,987
Activities for generating funds					
- admissions		4,211		4,211	5,931
Donations		-	80	80	500
Investment income		1,076		1,076	1,909
Other income		1,492		1,492	373
Total incoming resources		6,779	416,229	423,008	57,700
Resources expended					
Cost of generating funds					
- Production costs		2,429	-	2,429	2,428
		2,429	-	2,429	2,428
Charitable expenditure					
Costs of activities in the furtherance of the charity's objectives	2(b)				
- running costs		10,652	-	10,652	3,744
Management and administration		3,735	-	3,735	2,017
Total charitable expenditure		14,387	-	14,387	5,761
Total resources expended		16,816	-	16,816	8,189
Net incoming resources/(resources expended) before transfer					
Transfer between funds		6,186	(6,186)	-	-
Net incoming resources/(resources expended)		(3,851)	410,043	406,192	49,511
Fund balance at 1 March 2003		31,319	92,645	123,964	74,453
Fund balance at 29 February 2004		27,468	502,688	530,156	123,964

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

Nairn Drama Limited

**Balance Sheet
As at 29 February 2004**

	Notes	2004 £	2003 £
Fixed Assets			
Tangible assets	5	526,026	93,248
Current Assets			
Stocks		-	-
Debtors	6	15,294	9,902
Cash at bank and in hand		<u>27,411</u>	<u>27,035</u>
		42,705	36,937
Creditors: amounts falling due within one year	7	<u>(38,575)</u>	<u>(6,221)</u>
Net Current Liabilities		4,130	30,716
Total Assets Less Current Liabilities		<u>530,156</u>	<u>123,964</u>
Funds			
Restricted fund	8	502,688	92,645
Unrestricted	8	<u>27,468</u>	<u>31,319</u>
Total Funds		<u>530,156</u>	<u>123,964</u>

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 5/11/04 and signed on its behalf by

S. McGowan

**S McGowan
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 29 February 2004**

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 29 February 2004**

.....continued

(f) Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at costs less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	2% per annum straight line
Fixtures, fittings & equipment	15% reducing balance basis

Freehold land of £30,000 is included in tangible fixed assets.

2 (a) Incoming resources

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

	2004 £	2003 £
Inverness & Nairn Enterprise	72,581	7,692
Highland Council	10,000	-
Davidson Trust	50,000	-
Scottish Arts Council	283,080	41,295
Sundry grants	488	-
	<u>416,149</u>	<u>48,987</u>

(b) Support costs, management and administration costs

	Running Costs		Management and Administration	
	2004 £	2003 £	2004 £	2003 £
Rates	410	284	-	-
Insurance	1,025	890	-	-
Light and heat	100	1,184	-	-
Repairs and maintenance	1,488	-	-	-
Unit rent	1,408	1,386	-	-
Subscriptions	-	-	5	-
Accountancy and tax fees	-	-	565	172
Audit Fees	-	-	1,200	1,230
Professional fees	-	-	770	500
Depreciation	6,221	-	-	-
General expenses	-	-	1,195	115
	<u>10,652</u>	<u>3,744</u>	<u>3,735</u>	<u>2,017</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 29 February 2004**

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5 Tangible fixed assets

	Land and Development £	Fixtures Fittings & Equipmet £	Total £
Cost			
At 1 March 2003	93,248	-	93,248
Additions	324,864	114,135	438,999
Disposals	-	-	-
At 29 February 2004	<u>418,112</u>	<u>114,135</u>	<u>532,247</u>
Depreciation			
At 1 March 2003	-	-	-
On disposals	-	-	-
Charge for the year	1,941	4,280	6,221
At 29 February 2004	<u>1,941</u>	<u>4,280</u>	<u>6,221</u>
Net book value			
At 29 February 2004	<u>416,171</u>	<u>109,855</u>	<u>526,026</u>
At 28 February 2003	<u>93,248</u>	<u>-</u>	<u>93,248</u>

6 Debtors

	2004 £	2003 £
Other debtors	<u>15,294</u>	<u>9,902</u>

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

	2004 £	2003 £
Bank overdraft	-	3,716
Loans	25,000	-
Accruals and deferred income	<u>13,575</u>	<u>2,505</u>
	<u>38,575</u>	<u>6,221</u>

**Notes forming part of the Financial Statements
for the year ended 29 February 2004**

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8 Fund Allocation

	Balance 01-Mar-03 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 29-Feb-04 £
Restricted Fund					
Building fund	<u>92,645</u>	<u>416,229</u>	<u>-</u>	<u>(6,186)</u>	<u>502,688</u>
Unrestricted Fund					
General Fund	(4,612)	6,779	(16,816)	1,975	(12,674)
Designated Fund	<u>35,931</u>	<u>-</u>	<u>-</u>	<u>4,211</u>	<u>40,142</u>
	<u>31,319</u>	<u>6,779</u>	<u>(16,816)</u>	<u>6,186</u>	<u>27,468</u>
 Total Fund	 <u>123,964</u>	 <u>423,008</u>	 <u>(16,816)</u>	 <u>-</u>	 <u>530,156</u>

Restricted funds:-

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

Unrestricted Funds:-

Included within unrestricted funds is £4,211 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 29 February 2004			
Tangible fixed assets	23,338	502,688	526,026
Current assets	42,705		42,705
Creditors: amounts falling due within one year	<u>(38,575)</u>		<u>(38,575)</u>
	<u>27,468</u>	<u>502,688</u>	<u>530,156</u>