

Nairn Drama Limited

Nairn Drama Limited
(A company limited by guarantee)
Report and Financial Statements
Year ended 28 February 2006
Charity Number SC013628



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

Contents

	Page
Legal and administrative information	1
Report of the directors	2 3
Accountant’s Report	4
Statement of financial activities	5
Balance sheet	6
Notes forming part of the financial statements	7 10

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 5NZ
Bankers:	Bank of Scotland 73 High Street Nairn IV12 4BS
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 2006

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements for the year ended 28 February 2006. The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity

Legal and administrative information as set out on page 1 forms part of this report. 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.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Structure, governance and management

The trustees who served during the year are stated on page 1. None of the trustees has any beneficial interest in the company. The trustees do not receive any remuneration for their services as trustees.

The overall management and policy decisions of the company are the responsibility of the board of trustees who are elected under the terms of the company's Article of Association.

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 trustees 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.

The directors have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The charity encourages and develops appreciation, performance and production of the dramatic arts in all their forms. This is done with productions of club shows, touring groups of actors, musicians, and weekly film shows. The theatre is for hire by any interested party and has hosted The Nairn Jazz Festival and numerous private functions.

Achievements and performance

The company continued to receive funding to support its activities. The company absorbed a deficit of £15,885 (2005 £28,746) during the year

Financial Review

The Statement of Financial Activities for the year is set out on page 5 of the financial statements

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

Plans for Future Periods

The company plans to continue in the same vein, with films being shown, three plays in early stages of production for next year, and a Pantomime scheduled for December 2006 to January 2007

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on

E Mayberry

Secretary

E Mayberry 22/11/2006.

Accountants' Report to the Members of Nairn Drama Limited

We report on the accounts for the year ended 28 February 2006 set out on pages 5 to 10

Respective responsibilities of directors and reporting accountants

As described on page 2 the trustees, who are also the directors of Nairn Drama Limited for the purposes of company law, are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion,

- a the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985,
- b having regard only to, and on the basis of, the information contained in those accounting records
 - i the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - ii the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)

Date: 27 November 2006

Nevis House
Beechwood Park
Inverness
IV2 3BW



Johnston Carmichael
Chartered Accountants

Nairn Drama Limited

**Statement of Financial Activities
for the year ended 28 February 2006**

		Unrestricted Funds	Restricted Funds	2006	2005
	Notes	£	£	£	£
Incoming resources from generated funds					
Activities in furtherance of the					
Charity's objectives					
Grants	2(a)	1,571	-	1,571	723
Grants adjustment	2(a)	-	(381)	(381)	(1,415)
Activities for generating funds					
Admissions		10,666		10,666	11,381
Donations		1,196		1,196	1,169
Investment income		118		118	261
Membership income		892	-	892	428
Other income		3,466		3,466	1,503
Total incoming resources		17,909	(381)	17,528	14,050
Resources expended					
Cost of generating funds					
Production costs		4,177	-	4,177	5,289
		4,177		4,177	5,289
Charitable activities					
Costs of activities in the furtherance					
of the charity's objectives					
	2(b)				
Running costs		4,878		4,878	10,429
Management and administration		2,310	22,048	24,358	27,078
		7,188	22,048	29,236	37,507
Total resources expended		11,365	22,048	33,413	42,796
Net incoming resources/(resources expended) before transfer		6,544	(22,429)	(15,885)	(28,746)
Transfer between funds		-	-		
Net incoming resources/(resources expended)		6,544	(22,429)	(15,885)	(28,746)
Fund balance at 1 March 2005		23,159	478,251	501,410	530,156
Fund balance at 28 February 2006		29,703	455,822	485,525	501,410

The notes on pages 7 to 10 form an integral part of these financial statements.

Nairn Drama Limited

Balance Sheet As at 28 February 2006

		2006		2005	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	4		489,824		512,101
Current Assets					
Debtors	5	390		7,391	
Cash at bank and in hand		<u>3,902</u>		<u>5,293</u>	
		4,292		12,684	
Creditors: amounts falling due within one year	6	<u>(8,591)</u>		<u>(23,375)</u>	
Net Current Liabilities			<u>(4,299)</u>		<u>(10,691)</u>
Total Assets Less Current Liabilities			<u><u>485,525</u></u>		<u><u>501,410</u></u>
Funds					
Restricted	7		455,822		478,251
Unrestricted	7		<u>29,703</u>		<u>23,159</u>
Total Funds			<u><u>485,525</u></u>		<u><u>501,410</u></u>

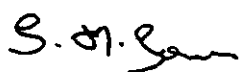
The company is entitled to the exemption from the audit requirements contained in section 249A(1) of the Companies Act 1985, for the year ended 28 February 2006. No member of the company has deposited a notice, pursuant to section 249B(2), requiring an audit of these accounts

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 31 March 2006 and of its surplus for the year 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 January 2005)

The financial statements were approved by the Board on 22/11/06 and signed on its behalf by



S McGowan
Director

The notes on pages 7 to 10 form an integral part of these financial statements

**Notes forming part of the financial statements
for the year ended 28 February 2006**

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 January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 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 2006**

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	2% straight line
Fixtures, fittings & equipment	15% reducing balance

Freehold land of £30,000 is included in tangible fixed assets and is not depreciated.

2 (a) Incoming resources

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

	2006 £	2005 £
Inverness & Nairn Enterprise	(381)	(1,415)
Awards for All	1,571	
Davidson Trust	-	723
	<u>1,190</u>	<u>(692)</u>

(b) Support costs, management and administration costs

	Running Costs		Management and Administration	
	2006 £	2005 £	2006 £	2005 £
Rates	278	1,418	-	
Insurance	2,100	2,032	-	
Light and heat	1,681	1,957	-	
Repairs and maintenance	803	4,895		
Unit rent	16	127		
Subscriptions			40	45
Accountancy and tax fees			1,200	1,165
Professional fees	-		592	649
Depreciation			22,048	24,509
General expenses			478	710
	<u>4,878</u>	<u>10,429</u>	<u>24,358</u>	<u>27,078</u>

3 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 2006

continued

4 Tangible fixed assets

	Land and Buildings £	Fixtures Fittings & Equipment £	Total £
Cost			
At 1 March 2005	428,247	114,584	542,831
Additions	936		936
Disposals			
Adjustment	(1,165)		(1,165)
At 28 February 2006	428,018	114,584	542,602
Depreciation			
At 1 March 2005	9,905	20,825	30,730
On disposals			
Charge for the year	7,984	14,064	22,048
At 28 February 2006	17,889	34,889	52,778
Net book value			
At 28 February 2006	410,129	79,695	489,824
At 28 February 2005	418,342	93,759	512,101

5 Debtors

	2006 £	2005 £
Other debtors	-	6,533
Prepayments	390	858
	390	7,391

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

	2006 £	2005 £
Loans	7,000	10,000
Accruals and deferred income	1,591	13,375
	8,591	23,375

Notes forming part of the Financial Statements
for the year ended 28 February 2006

continued

7 Fund Allocation

	Balance 01-Mar 05 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 28 Feb-06 £
Restricted Fund					
Building Fund	478,251	(381)	(22,048)		455,822
Unrestricted Fund					
General Fund	23,159	17,909	(11,365)		29,703
Total Fund	501,410	17,528	(33,413)		485,525

Restricted funds

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

8 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 28 February 2006			
Tangible fixed assets	34,002	455,822	489,824
Current assets	4,292		4,292
Creditors' amounts falling due within one year	(8,591)		(8,591)
	29,703	455,822	485,525