

Charity Registration No SC013628

Company Registration No 215744 (Scotland)

Nairn Drama Limited
Directors' Report and Unaudited Accounts
For The Year Ended 28 February 2007

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NAIRN DRAMA LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Simon Fraser Sandra McGowan Alison Stirling
Secretary	Elizabeth Mayberry
Charity number	SC013628
Company number	215744
Registered office	Cobelachan Moss side Nairn IV12 5NZ
Accountants	Johnston Carmichael Nevis House Beechwood Park Inverness IV2 3BW
Bankers	Bank of Scotland 73 High Street Nairn IV12 4BS
Solicitors	R & R Urquhart (Incorporating Macgregor & Co) 20 High Street Nairn IV12 4AX

NAIRN DRAMA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2007

The directors present their report and accounts for the year ended 28 February 2007

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Structure, governance and management

The charity is a charitable company limited by guarantee governed by its Memorandum and Articles of Association

The trustees, who are also the directors for the purpose of company law, who served during the year were

Lee Cruickshank	(Resigned 18 January 2007)
Simon Fraser	
Sandra McGowan	
Alison Stirling	(Appointed 18 January 2007)

None of the directors has 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.

The overall management and policy decisions of the company are the responsibility of the board of directors who are elected under the terms of the company's Article of Association, annually at the AGM.

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.

There is no formal induction for directors although following the introduction of OSCAR recommendations this is being reviewed.

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 £3,174 (2006 £15,885) during the year.

Financial review

The charity operates two main reserves. 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 and at 31 March 2007 held funds of £440,828 (2006 £455,822).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The Directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

NAIRN DRAMA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 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

On behalf of the board of directors



Elizabeth Mayberry

Company Secretary

Dated 29 10 07

NAIRN DRAMA LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF NAIRN DRAMA LIMITED

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have prepared the accounts of the charity which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Charity's Board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Charity's Board of directors, that we have done so, and state those matters that we have agreed to state to them in this 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 Board of directors, as a body, for our work, or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the preparation of accounts.

You have acknowledged on the balance sheet for the year ended 28 February 2007 your duty to ensure that the charity has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the charity is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.



Johnston Carmichael

Accountants
Nevis House
Beechwood Park
Inverness
IV2 3BW

Dated 5 November 2007

NAIRN DRAMA LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2007

	Notes	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	971		971	2,088
Investment income	3	196		196	118
		1,167		1,167	2,206
Incoming resources from charitable activities	4	17,985	6,145	24,130	11,856
Other incoming resources	5	2,601	-	2,601	3,466
Total incoming resources		21,753	6,145	27,898	17,528
Resources expended					
Charitable activities					
Production costs		3,277		3,277	4,177
Premises expenses		4,793	7,979	12,772	12,862
Other expenditure		805	13,160	13,965	15,174
Total charitable expenditure		8,875	21,139	30,014	32,213
Governance costs		1,058		1,058	1,200
Total resources expended		9,933	21,139	31,072	33,413
Net income/(expenditure) for the year/ Net movement in funds		11,820	(14,994)	(3,174)	(15,885)
Fund balances at 1 March 2006		29,703	455,822	485,525	501,410
Fund balances at 28 February 2007		41,523	440,828	482,351	485,525

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985

NAIRN DRAMA LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	9	477,486		489,824	
Current assets					
Debtors	10	1,299		390	
Cash at bank and in hand		4,916		3,902	
		<u>6,215</u>		<u>4,292</u>	
Creditors: amounts falling due within one year	11	<u>(1,350)</u>		<u>(8,591)</u>	
Net current assets/(liabilities)			<u>4,865</u>		<u>(4,299)</u>
Total assets less current liabilities			<u><u>482,351</u></u>		<u><u>485,525</u></u>
Funds					
Restricted funds	12	440,828		455,822	
Unrestricted funds			<u>41,523</u>		<u>29,703</u>
			<u><u>482,351</u></u>		<u><u>485,525</u></u>

These financial statements have been 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 company is entitled to the exemption from the audit requirement contained in section 249A(1) of the Companies Act 1985, for the year ended 28 February 2007. 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 2007 and of its profit 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 accounts were approved by the Board on 29/10/07


Sandra McGowan
Director

NAIRN DRAMA LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2007

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985

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

1.2 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

1.3 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure All costs have been directly attributed to one of the functional categories of resources expended net of VAT where applicable

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost 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

Freehold 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

1.5 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

2 Voluntary income

	2007 £	2006 £
Donations and gifts	971	2,088

NAIRN DRAMA LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

3 Investment income

	2007 £	2006 £
Interest receivable	196	118

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Admissions	12,985		12,985	10,666
Inverness and Nairn Enterprise grant	-			1,190
Davidson Trust grant	5,000		5,000	
Highland Council grant		6,145	6,145	
	17,985	6,145	24,130	11,856

5 Other incoming resources

	2007 £	2006 £
Other income	2,601	3,466

NAIRN DRAMA LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

6 Total resources expended

	Depreciation	Other costs	Total 2007	Total 2006
	£	£	£	£
Charitable activities				
<u>Production costs</u>				
Activities undertaken directly		3,277	3,277	4,177
<u>Premises expenses</u>				
Activities undertaken directly	7,979	4,793	12,772	12,862
<u>Other expenditure</u>				
Activities undertaken directly	13,160	805	13,965	15,174
	21,139	8,875	30,014	32,213
Governance costs		1,058	1,058	1,200
	21,139	9,933	31,072	33,413

Premises expenses consists of rates of £94 (2006 £278), insurance of £1,925 (2006 £2,100), light and heat of £1,631 (2006 £1,681), repairs of £1,143 (2006 £803), rent of £nil (2006 £16), and depreciation of £7,979 (2006 £7,984)

Other expenditure includes advertising of £361 (2006 £592), general expenses of £399 (2006 £478), subscriptions of £45 (2006 £40), and depreciation of £13,160 (2006 £14,064)

Governance costs includes accountant's fees of £1,058 (2006 £1,200)

7 Directors

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

8 Employees

There were no employees during the year

NAIRN DRAMA LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

9 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2006	428,018	114,584	542,602
Additions	907	7,894	8,801
At 28 February 2007	428,925	122,478	551,403
Depreciation			
At 1 March 2006	17,889	34,889	52,778
Charge for the year	7,979	13,160	21,139
At 28 February 2007	25,868	48,049	73,917
Net book value			
At 28 February 2007	403,057	74,429	477,486
At 28 February 2006	410,129	79,695	489,824

10 Debtors

	2007 £	2006 £
Other debtors	1,029	
Prepayments and accrued income	270	390
	1,299	390

11 Creditors amounts falling due within one year

	2007 £	2006 £
Other loans		7,000
Taxes and social security costs		171
Accruals	1,350	1,420
	1,350	8,591

NAIRN DRAMA LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

12 Restricted funds

The income funds of the charity include restricted funds comprising the following expended balances of donations and grants held on trust for specific purposes

	Movement in funds			
	Balance at 1 March 2006	Incoming resources	Resources expended	Balance at 28 February 2007
	£	£	£	£
Building fund	455,822	6,145	(21,139)	440,828
	<u>455,822</u>	<u>6,145</u>	<u>(21,139)</u>	<u>440,828</u>

Restricted funds represents capital funding received from various sources for the construction and equipping of the new Theatre

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 28 February 2007 are represented by			
Tangible fixed assets	36,658	440,828	477,486
Current assets	6,215		6,215
Creditors amounts falling due within one year	(1,350)		(1,350)
	<u>41,523</u>	<u>440,828</u>	<u>482,351</u>

14 Control

The company is controlled by the directors