

Charity Registration No. SC013628

Company Registration No. SC215744 (Scotland)

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

WEDNESDAY



SCT *SSZC1VSJ* 744
13/07/2011
COMPANIES HOUSE

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Simon Fraser Sandra McGowan Alison Stirling
Secretary	Elizabeth Mayberry
Charity number	SC013628
Company number	SC215744
Registered office	Cobelachan Moss-side Nairn IV12 5NZ
Independent examiner	Jamie Waugh Johnston Carmichael LLP Clava House Cradlehall Business Park Inverness IV2 5GH
Solicitors	R & R Urquhart 20 High Street Nairn IV12 4AX

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

	Page
Directors' report	1 - 2
Independent examiners' report	3
Statement of financial activities	4
Balance sheet	5
Notes to the accounts	6 - 10

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2011

The directors present their report and accounts for the year ended 28 February 2011.

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 2006 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:

Simon Fraser

Sandra McGowan

Alison Stirling

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.

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 and musicians. 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 £13,869 (2010 - £14,381) during the year. The deficit arises due to the depreciation charged to the restricted fund and does not affect the company's unrestricted funds which made a surplus of £1,004 (2010 - £1,708).

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 28 February 2011 held funds of £378,654 (2010 - £393,527).

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 month's 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.

Plans for the future

The company will continue to stage productions in accordance with its objectives with the intention of generating sufficient funds to continue its activities.

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

This report and the financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

On behalf of the board of directors

Elizabeth Mayberry

Secretary

Dated:

E Mayberry
27th June 2011

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT EXAMINER'S REPORT
TO THE DIRECTORS OF NAIRN DRAMA LIMITED

I report on the accounts of the charity for the year ended 28 February 2011, which are set out on pages 4 to 10.

This report is made to the charity's board of directors, as a body, in accordance with the terms of engagement. My work has been undertaken to enable me to undertake an independent examination of the charity's accounts on behalf of the charity's board of directors and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's board of directors as a body, for my work or for this report.

Respective responsibilities of directors and examiner

The charity directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - (ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Jamie Waugh FCA
For and on behalf of
Johnston Carmichael LLP
Clava House
Cradlehall Business Park
Inverness
IV2 5GH

1 July 2011

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
<u>Incoming resources</u>					
Incoming resources from generated funds					
Voluntary income	2	2,077	-	2,077	450
Activities for generating funds		2,239	-	2,239	1,372
Investment income	3	172	-	172	102
		<u>4,488</u>	<u>-</u>	<u>4,488</u>	<u>1,924</u>
Incoming resources from charitable activities					
	4	11,682	-	11,682	9,863
Other incoming resources	5	1,591	-	1,591	2,460
		<u>17,761</u>	<u>-</u>	<u>17,761</u>	<u>14,247</u>
<u>Resources expended</u>					
Charitable activities					
Production costs		5,392	-	5,392	3,830
Premises expenses		9,203	7,979	17,182	14,609
Other expenditure		1,447	6,894	8,341	9,428
		<u>16,042</u>	<u>14,873</u>	<u>30,915</u>	<u>27,867</u>
Governance costs					
		715	-	715	761
		<u>16,757</u>	<u>14,873</u>	<u>31,630</u>	<u>28,628</u>
Net income/(expenditure) for the year/ Net movement in funds					
		1,004	(14,873)	(13,869)	(14,381)
Fund balances at 1 March 2010					
		45,942	393,527	439,469	453,850
Fund balances at 28 February 2011					
		<u>46,946</u>	<u>378,654</u>	<u>425,600</u>	<u>439,469</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 28 FEBRUARY 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	9		410,210		425,083
Current assets					
Debtors	10	353		925	
Cash at bank and in hand		16,727		14,710	
		17,080		15,635	
Creditors: amounts falling due within one year	11	(1,690)		(1,249)	
Net current assets			15,390		14,386
Total assets less current liabilities			425,600		439,469
Income funds					
Restricted funds	12		378,654		393,527
Unrestricted funds			46,946		45,942
			425,600		439,469

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 February 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts were approved by the Board on 27.5.2011

S.M.G.

Sandra McGowan
Director

Company Registration No. SC215744

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 2011

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, the Companies Act 2006, and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

The charity has availed itself of section 396 of the Companies Act 2006, as permitted in paragraph 4(1) of schedule 1 of Statutory Instrument 2008 No.409, 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 land is not depreciated

Freehold buildings

2% straight line

Fixtures, fittings & equipment

15% reducing balance

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

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2011

2 Voluntary income

	2011 £	2010 £
Donations and gifts	<u>2,077</u>	<u>450</u>

Donations and gifts includes donations of £48, and Sponsorships and memberships of £2,029.

3 Investment income

	2011 £	2010 £
Interest receivable	<u>172</u>	<u>102</u>

4 Incoming resources from charitable activities

	2011 £	2010 £
Ticket income	9,850	8,417
Catering income	1,832	1,446
	<u>11,682</u>	<u>9,863</u>

5 Other incoming resources

	2011 £	2010 £
Other income	<u>1,591</u>	<u>2,460</u>

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2011

6 Total resources expended

	Depreciation	Other costs	Total 2011	Total 2010
	£	£	£	£
Charitable activities				
<u>Production costs</u>				
Activities undertaken directly	-	5,392	5,392	3,830
<u>Premises expenses</u>				
Activities undertaken directly	7,979	9,203	17,182	14,609
<u>Other expenditure</u>				
Activities undertaken directly	6,894	1,447	8,341	9,428
	14,873	16,042	30,915	27,867
Governance costs	-	715	715	761
	14,873	16,757	31,630	28,628

Premises expenses consists of rates of £144 (2010 - £nil), insurance of £2,200 (2010 - £2,147), light and heat of £1,831 (2010 - £1,785), repairs of £5,028 (2010 - £2,698) and depreciation of £7,979 (2010 - £7,979).

Other expenditure includes advertising of £362 (2010 - £nil), general expenses of £763 (2010 - £1,253), subscriptions of £322 (2010 - £65), and depreciation of £6,894 (2010 - £8,110).

Governance costs includes Independent examiner's fees of £715 (2010 - £761).

7 Directors

None of the trustees (or any persons connected with them) received any remuneration during the period. Two trustees were paid honorariums totalling £200 towards reimbursement of expenses.

8 Employees

There were no employees during the year.

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2011

9 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2010 and at 28 February 2011	<u>428,925</u>	<u>122,847</u>	<u>551,772</u>
Depreciation			
At 1 March 2010	49,805	76,884	126,689
Charge for the year	<u>7,979</u>	<u>6,894</u>	<u>14,873</u>
At 28 February 2011	<u>57,784</u>	<u>83,778</u>	<u>141,562</u>
Net book value			
At 28 February 2011	<u>371,141</u>	<u>39,069</u>	<u>410,210</u>
At 28 February 2010	<u>379,120</u>	<u>45,963</u>	<u>425,083</u>

Freehold land of £30,000 which is included within land and buildings, is not depreciated.

10 Debtors	2011	2010
	£	£
Other debtors	353	812
Prepayments and accrued income	-	113
	<u>353</u>	<u>925</u>

11 Creditors: amounts falling due within one year	2011	2010
	£	£
Accruals	<u>1,690</u>	<u>1,249</u>

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2011

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:

	Balance at 1 March 2010	Movement in funds		Balance at 28 February 2011
	£	Incoming resources	Resources expended	£
Building fund	390,722	-	(14,873)	375,849
Mural	2,805	-	-	2,805
	<u>393,527</u>	<u>-</u>	<u>(14,873)</u>	<u>378,654</u>

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

The company received funding from the Highland Council towards the costs of a mural on the outside of the theatre building. This work is still in progress and to be completed at the year end.

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 28 February 2011 are represented by:			
Tangible fixed assets	34,361	375,849	410,210
Current assets	14,275	2,805	17,080
Creditors: amounts falling due within one year	(1,690)	-	(1,690)
	<u>46,946</u>	<u>378,654</u>	<u>425,600</u>

14 Related parties

The company is controlled by the directors on behalf of the members of the company.