

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 2012

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

Directors	Sandra McGowan Alison Stirling Iain Bruce
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)
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NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2012

The directors present their report and accounts for the year ended 28 February 2012.

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 (Deceased 3 October 2011)

Sandra McGowan

Alison Stirling

Iain Bruce (Appointed 10 October 2011)

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

We have managed to produce performances throughout the year and had one of the most successful Pantomime seasons in the recent past with a sell out audience for fourteen performances two weeks prior to curtain up. In the auditions held for the chorus, 60 children took part with only 20 being places available and we are investigating ways in which to engage with children. As part of this engagement the 2nd one act play in May 'Its a dogs' life featured four of our younger 'stars'.

We are in the process of building links with Rosebank Primary by assisting with their end of term show and are exploring the potential for a joint schools summer holiday project.

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 2012 held funds of £363,815 (2011 - £378,654).

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.

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

FOR THE YEAR ENDED 28 FEBRUARY 2012

Plans for the future

These are essentially being an integral part of the arts in Nairn. Following a recent successful concert by international virtuoso harpist Monika Stadler, we are investigating how to build on this success. The Little Theatre has particularly good acoustics and we see this potential as being important in broadening its appeal as a music venue.

We are in the process of building closer links with Nairn Book & Arts Festival and in discussions with Cinema Nairn as an alternative venue. The Mural which we commissioned from one of our members during the Highland Year of Culture is now nearing completion (following ill health) John Byre has previously indicated his willingness to undertake an unveiling later this summer.

Finally we recently opened discussions with PAN (Promoters Arts Network). As a participant in PAN this will allow:

- engagement with The National Rural Touring Federation Showcase; Highlands and Islands Theatre Network showcase and Imagine.
- participation in 1st in a Lifetime project that sees young people recruited and trained as promoters, matched (where possible) with existing promoters who in turn will also receive leadership training run by the Social Enterprise Academy and which fits with our ambitions to engage with and cater for our younger members.

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: 9th July 2012

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 2012, 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's trustees (who are also the directors of the company for the purposes of company law) 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.

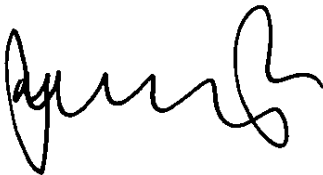
Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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

18 July 2012

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2012

	Notes	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
<u>Incoming resources</u>					
Incoming resources from generated funds					
Voluntary income	2	2,658	-	2,658	2,077
Activities for generating funds		1,711	-	1,711	2,239
Investment income	3	149	-	149	172
		<u>4,518</u>	<u>-</u>	<u>4,518</u>	<u>4,488</u>
Incoming resources from charitable activities					
	4	10,683	-	10,683	11,682
Other incoming resources	5	2,295	-	2,295	1,591
		<u>17,496</u>	<u>-</u>	<u>17,496</u>	<u>17,761</u>
<u>Resources expended</u>					
	6				
Charitable activities					
Production costs		3,562	-	3,562	5,392
Premises expenses		8,833	8,979	17,812	17,182
Other expenditure		1,000	5,860	6,860	8,341
		<u>13,395</u>	<u>14,839</u>	<u>28,234</u>	<u>30,915</u>
Total charitable expenditure					
		<u>1,564</u>	<u>-</u>	<u>1,564</u>	<u>715</u>
Governance costs					
		<u>14,959</u>	<u>14,839</u>	<u>29,798</u>	<u>31,630</u>
Total resources expended					
Net income/(expenditure) for the year/					
Net movement in funds					
		2,537	(14,839)	(12,302)	(13,869)
Fund balances at 1 March 2011					
		<u>46,946</u>	<u>378,654</u>	<u>425,600</u>	<u>439,469</u>
Fund balances at 28 February 2012					
		<u>49,483</u>	<u>363,815</u>	<u>413,298</u>	<u>425,600</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 2012

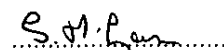
	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	9		396,371		410,210
Current assets					
Debtors	10	263		353	
Cash at bank and in hand		18,354		16,727	
		<u>18,617</u>		<u>17,080</u>	
Creditors: amounts falling due within one year	11	<u>(1,690)</u>		<u>(1,690)</u>	
Net current assets			<u>16,927</u>		<u>15,390</u>
Total assets less current liabilities			<u><u>413,298</u></u>		<u><u>425,600</u></u>
Income funds					
Restricted funds	12		363,815		378,654
Unrestricted funds			<u>49,483</u>		<u>46,946</u>
			<u><u>413,298</u></u>		<u><u>425,600</u></u>

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 2012. 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 9 June 2012



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 2012

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 2012

2 Voluntary income

	2012 £	2011 £
Donations and gifts	<u>2,658</u>	<u>2,077</u>

Donations and gifts includes donations of £485 (2011 - £48), and sponsorships and memberships of £2,173 (2011 - £2,029).

3 Investment income

	2012 £	2011 £
Interest receivable	<u>149</u>	<u>172</u>

4 Incoming resources from charitable activities

	2012 £	2011 £
Ticket income	9,577	9,850
Catering income	<u>1,106</u>	<u>1,832</u>
	<u>10,683</u>	<u>11,682</u>

5 Other incoming resources

	2012 £	2011 £
Other income	<u>2,295</u>	<u>1,591</u>

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2012

6 Total resources expended

	Depreciation	Other costs	Total	Total
	£	£	2012	2011
			£	£
Charitable activities				
<u>Production costs</u>				
Activities undertaken directly	-	3,562	3,562	5,392
<u>Premises expenses</u>				
Activities undertaken directly	7,979	9,833	17,812	17,182
<u>Other expenditure</u>				
Activities undertaken directly	5,860	1,000	6,860	8,341
	13,839	14,395	28,234	30,915
Governance costs	-	1,564	1,564	715
	13,839	15,959	29,798	31,630

Premises expenses consists of rates of £591 (2011 - £144), insurance of £2,425 (2011 - £2,200), light and heat of £1,691 (2011 - £1,831), repairs of £4,126 (2011 - £5,028), mural costs of £1,000 and depreciation of £7,979 (2011 - £7,979).

Other expenditure includes advertising of £176 (2011 - £362), general expenses of £717 (2011 - £763), subscriptions of £107 (2011 - £322), and depreciation of £5,860 (2011 - £6,894).

Governance costs includes Independent examiner's fees of £1,065 (2011 - £715), and other professional fees £499 (2011 - £nil).

7 Directors

None of the trustees (or any persons connected with them) received any remuneration during the period. Two trustees were paid honorariums of £nil (2011 - £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 2012

9 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2011 and at 28 February 2012	<u>428,925</u>	<u>122,847</u>	<u>551,772</u>
Depreciation			
At 1 March 2011	57,783	83,779	141,562
Charge for the year	<u>7,979</u>	<u>5,860</u>	<u>13,839</u>
At 28 February 2012	<u>65,762</u>	<u>89,639</u>	<u>155,401</u>
Net book value			
At 28 February 2012	<u>363,163</u>	<u>33,208</u>	<u>396,371</u>
At 28 February 2011	<u>371,141</u>	<u>39,069</u>	<u>410,210</u>

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

10 Debtors

	2012 £	2011 £
Other debtors	<u>263</u>	<u>353</u>

11 Creditors: amounts falling due within one year

	2012 £	2011 £
Accruals	<u>1,690</u>	<u>1,690</u>

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2012

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 2011	Movement in funds		Balance at 28 February 2012
	£	Incoming resources	Resources expended	£
Building fund	375,849	-	(13,839)	362,010
Mural	2,805	-	(1,000)	1,805
	<u>378,654</u>	<u>-</u>	<u>(14,839)</u>	<u>363,815</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 2012 are represented by:			
Tangible fixed assets	34,361	362,010	396,371
Current assets	16,812	1,805	18,617
Creditors: amounts falling due within one year	(1,690)	-	(1,690)
	<u>49,483</u>	<u>363,815</u>	<u>413,298</u>

14 Control

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