

Nairn Drama Limited

Detailed income and expenditure account

For the year ended 28 February 2016

(The following pages are for the use of management only)

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

Directors	Sandra McGowan Bryce MacKintosh Iain Bruce
Secretary	Elizabeth Mayberry
Charity Number	SC013628
Company Number	SC215744
Registered Office	Cobelachan Moss-side Nairn IV12 5NZ
Independent examiner	James Wallace Alba Business Services 2a Commerce Street Elgin IV30 1BS
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)
DIRECTOR'S REPORT**

FOR THE YEAR ENDED 28 FEBRUARY 2016

The directors present their report and accounts for the year ended 28 February 2016.

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:

Sandra McGowan
Bryce MacKintosh
Iain Bruce

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 of 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,

**NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTOR'S REPORT (CONTINUED)**

FOR THE YEAR ENDED 28 FEBRUARY 2016

As the club approaches its 70th anniversary it is good heart both in membership and financial terms. Membership currently stands at 40 an increase since last year.

The Club produced another successful and well received panto with *Calamity Jane, the Panto* which ran over 16 performances beginning late November and was the dominant contributor to club funds making a 55% profit. This amounted to £7,577 taking account of the cost of rehearsals of £2,000 and production costs of £2,168.

In April the club followed this success with the first attempt at an adult panto based loosely on Dick Wittington which ran for 3 performances, was well received by full houses and contributing £2,100 to the Club Funds.

Theatre hires throughout the year brought in the sum of £2,200.

This year saw outings by members to productions in Aberdeen to see the London West End travelling production of *Wicked* with the cost of the travel being met from Club funds and an outing on 4 February to see the Buckie Amateur Dramatic Society Panto. Members were impressed by the set-up of their front of house operation in particular and will be introducing some of the ideas in the coming season.

The Club has now adopted the idea of a Planning Committee as a way of scheduling both touring and club productions and in an attempt to develop a more regular schedule of productions and develop the appetite of the local audience.

Following various and thorough discussions the Club adopted a clear policy of zero alcohol associated with productions or rehearsals and with this in mind it was agreed that more social nights, for which there was a clear demand was the better way of enjoying social drinking.

We had some disappointment with HMRC in that we deregistered from VAT on the basis of the rules in force at the time of the new Theatre project in 2002. Unfortunately this advice was subsequently overturned in April 2016. Faced with the prospect of having to pay a substantial amount of VAT on building there was no alternative but to reregister.

This particularly disappointing given the amount of work involved for the treasurer in compiling the quarterly returns.

Continual improvements are being made to the fabric of the Building including upgraded stage lighting, a revamped seating area on the balcony complete with a storage wall and curtains which will screen the space for children's chorus during panto amongst other uses.

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

FOR THE YEAR ENDED 28 FEBRUARY 2016

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 2016 held funds of £314,851 (2015 - £325,889).

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.

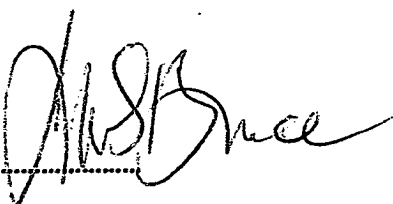
The Directors consider that reserves at this level will ensure that, in event of a significant drop in funding they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of directors

Ian Bruce
Director

Dated:



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 2016, which are set out on pages 5 to 11.

This report is made of 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 © of the Accounts Regulations does not apply, it is my responsibility to examine the accounts as required under section 44(1)© 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.

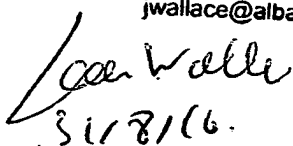
Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect requirements:
- (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 386 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;
- have 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.

James Wallace FCCA
Alba Business Services
2a Commerce Street
Elgin
IV30 1BS

James Wallace FCCA 0041840
2a Commerce Street, Elgin, IV30 1BS.
Office 01343 569 445, Mobile 07818
878142, Email
jwallace@albabusiness.co.uk


31/8/16.

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	2,170	-	2,170	1,956
Activities for generating funds		2,244	-	2,244	2,539
Investment income	3	110	-	110	144
		4,523	-	4,523	4,639
Incoming resources from charitable activities	4	12,480	-	12,480	12,341
Other incoming resources	5	3,234	-	3,234	3,849
Total incoming resources		20,237	-	20,237	20,829
<u>Resources expended</u>	6				
Charitable activities					
Production costs		2,953	-	2,953	3,341
Premises expenses		13,113	7,979	21,092	20,394
Other expenditure		2,633	3,059	5,692	8,463
Total charitable expenditure		18,699	11,038	29,737	32,198
Governance costs		493	-	493	573
Total resources expended		19,192	11,038	30,230	32,771
Net Income/(expenditure) for the year/ net movement in funds		1,045	- 11,038	9,993	- 11,941
Fund balances at 1 March 2015		52,549	325,889	378,438	390,379
Fund balances at 28 February 2016		53,594	314,851	368,445	378,438

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 2016

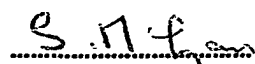
	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	9	348,582	359,620
Current assets			
Debtors	10	713	308
Cash at bank and in hand		19,749	19,262
Creditors: amounts falling due within one year	11	-600	-752
Net current assets		<u>19,863</u>	<u>18,818</u>
Total assets less current liabilities		<u>368,445</u>	<u>378,438</u>
Income funds			
Restricted funds	12	337,467	337,467
Unrestricted funds		<u>30,978</u>	<u>40,971</u>
		<u>368,445</u>	<u>378,438</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 2016. 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 section 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 29/3/16



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 2016

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 2016

2 Voluntary income

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2016 £	2015 £
Donations and gifts	2,170	0	2,170	1,956
Grants receivable for core activities	0	0	0	0
	<u>2,170</u>	<u>0</u>	<u>2,170</u>	<u>1,956</u>

Donations and gifts includes donations of £1,670 (2015 -£1,956), and sponsorships and memberships of £Nil (2015 -£Nil).

3 Investment income

	2016 £	2015 £
Interest receivable	<u>110</u>	<u>144</u>

4 Incoming resources from charitable activities

	2016 £	2015 £
Ticket income	<u>12,480</u>	<u>12,341</u>

5 Other incoming resources

	2016 £	2015 £
Other income	<u>3,234</u>	<u>3,849</u>

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

FOR THE YEAR ENDED 28 FEBRUARY 2016

6 Total resources expended	Staff costs	Depreciation	Other costs	Total 2016	Total 2015
	£	£	£	£	£
Charitable activities					
<u>Production costs</u>					
Activities undertaken directly	-	-	2,953	2,953	3,341
<u>Premises expenses</u>					
Activities undertaken directly	-	7,979	13,113	21,092	20,394
<u>Other expenditure</u>					
Activities undertaken directly	-	3,059	2,633	5,692	8,463
	-	11,038	18,699	29,737	32,198
Governance costs	-	-	493	493	573
	-	11,038	19,192	30,230	32,771

Premises expenses consists of rates of £nil (2015 -£nil), insurance of £2,109 (2015 -£2,041), light and heat of £2,203 (2015 - £1,858), repairs of £8,981 (2015 - £8,516), mural costs of £Nil (2015 - £2,270) and depreciation of £7,979 (2015 - £7,979).

Other expenditure includes advertising of £185 (2015 -£179), general expenses of £2,368 (2014 - £2,305), subscriptions of £80 (2015 - £110), and depreciation of £3,059 (2015 - £3,599).

Governance costs includes independent exalmer's fees of £600 (2015 - £573).

7 Directors

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

One trustee were paid honorariums of £Nil (2015 - £500) 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 2016

9 Tangible fixed assets

	Land and Buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2015 and at 28 February 2016	428,925	122,847	551,772
Depreciation			
At 1 March 2015	89,698	102,454	192,152
Charge for the year	7,979	3,059	11,038
As at 28 February 2016	97,677	105,513	203,190
Net book value			
At 28 February 2016	331,248	17,334	348,582
At 28 February 2015	339,227	20,393	359,620

Freehold land of £34,361 which is included within the land and buildings, is not depreciated.

10 Debtors

	2016	2015
	£	£
Other debtors	713	308

11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Accruals	600	752

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

FOR THE YEAR ENDED 28 FEBRUARY 2016

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 28-Feb 2016 £
	Balance at 01-Mar 2015 £	incoming resources £	Resources expended £	
Building fund	336,837	0	0	336,837
Babs Findlay Fund	500	0	0	500
Highland Council Touring Arts Fund	130	0	0	130
	337,467	0	0	337,467

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. All specific funds raised for this mural have been expended and any further work will be met from unrestricted funds.

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 28 February 2016 are represented by:			
Tangible fixed assets	11,115	337,467	348,582
Current assets	20,463	-	20,463
Creditors: amounts falling due within one year	- 600	- -	600
	30,978	337,467	368,445

14 Control

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