

NAIRN DRAMA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

Charity Registration No. SC013628

Company Registration No. SC215744 (Scotland)

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COMPANIES HOUSE

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

Directors

Sandra McGowan
Iain Bruce
Karen Kemp

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 2018

The directors present their report and accounts for the year ended 28 February 2018.

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
Iain Bruce
Karen Kemp

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 2018

Another year of steady progress by the club and members with current membership at 30.

There were fewer productions and hires which is reflected in the income stream down some 20% on last year but as always the fourteen performances of this year's panto of *Little Red Riding Hood* was the mainstay of the year's income.

Last year's investment in state of the art technology was put to good use in the production in May for *The Day the Divas Changed the World* written by our own Kim Brown and telling the story of aliens visiting our troubled world through a mixture of music and fantasy.

In June saw the dramatic highlight of the year and club's production of *A Different Way to Die* with 4 performances which was very well received by our faithful local audience. The back projection of images and set came into its own in scene setting to a strong storyline of survival of the Holocaust and full of pathos and emotion.

In September, as always, the theatre hosted a number of events during Nairn Book and Arts Festival.

It was agreed that the club needed to introduce a code of conduct to act as a benchmark in the conduct of the club's affairs and this was introduced in the autumn.

The continuing enthusiasm and positive outlook of the core of devoted members guarantees a stable future for the Club.

The Club has a core of devoted members whose energy ensures a healthy future for the club.

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

FOR THE YEAR ENDED 28 FEBRUARY 2018

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 2018 held funds of £337,467 (2017 - £337,467).

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 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.

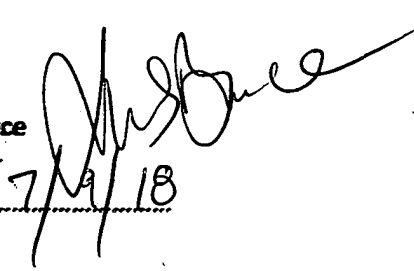
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of directors

Iain Bruce

Director

Dated: 7/4/18



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 2018, 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:

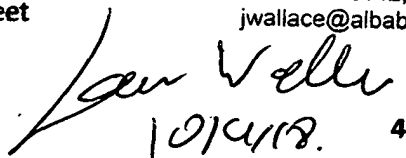
(a) which gives me reasonable cause to believe that in any material respect requirements:

(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 396 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.

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

FOR THE YEAR ENDED 28 FEBRUARY 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income	2	2,708	-	2,708	2,468
Activities for generating funds		2,227	-	2,227	2,622
Investment income	3	-	-	-	-
		4,934	-	4,934	5,090
Incoming resources from charitable activities	4	10,109	-	10,109	12,049
Other incoming resources	5	1,876	-	1,876	2,697
Total incoming resources		16,919	-	16,919	19,836
Resources expended	6				
Charitable activities					
Production costs		4,450	-	4,450	2,315
Premises expenses		10,177	7,979	18,156	25,580
Other expenditure		3,726	1,287	5,013	5,551
Total charitable expenditure		18,353	9,266	27,619	33,446
Governance costs		-	-	-	600
Total resources expended		18,353	9,266	27,619	34,046
Net Income/(expenditure) for the year/ net movement in funds		- 1,434 -	- 9,266 -	- 10,700 -	- 14,210
Fund balances at 1 March 2017		53,594	314,851	368,445	368,445
Fund balances at 28 February 2018		52,160	305,585	357,745	354,235

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 2018

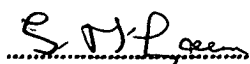
	Notes	2018		2017	
		£	£	£	£
Fixed assests					
Tangible assets	9		326,961		336,227
Current assets					
Debtors	10 -	729		1,088	
Cash at bank and in hand		17,902		15,289	
Creditors: amounts falling due within one year	11	<u>-600</u>		<u>-600</u>	
Net current assets			<u>16,573</u>		<u>18,007</u>
Total assets less current liabilities			<u><u>343,534</u></u>		<u><u>354,234</u></u>
Income funds					
Restricted funds	12		337,467		337,467
Unrestricted funds			<u>6,067</u>		<u>16,767</u>
			<u><u>343,534</u></u>		<u><u>354,234</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 2018. 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 7/9/18



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 2018

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 2018

2 Voluntary income

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	2,708	0	2,708	2,468
Grants receivable for core activities	0	0	0	0
	<u>2,708</u>	<u>0</u>	<u>2,708</u>	<u>2,468</u>

Donations and gifts includes donations of £316 (2017 -£1,550), and sponsorships and memberships of £2,392 (2017 -£918).

3 Investment income

	2018	2017
	£	£
Interest receivable	-	-

4 Incoming resources from charitable activities

	2018	2017
	£	£
Ticket income	<u>10,109</u>	<u>12,049</u>

5 Other incoming resources

	2018	2017
	£	£
Other income	<u>1,876</u>	<u>2,697</u>

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

FOR THE YEAR ENDED 28 FEBRUARY 2018

6 Total resources expended	Staff costs	Depreciation	Other costs	Total 2018	Total 2017
	£	£	£	£	£
Charitable activities					
<u>Production costs</u>					
Activities undertaken directly	750	-	3,700	4,450	2,315
<u>Premises expenses</u>					
Activities undertaken directly	-	7,979	10,177	18,156	25,580
<u>Other expenditure</u>					
Activities undertaken directly	-	1,287	3,726	5,013	5,551
	750	9,266	17,603	27,619	33,446
Governance costs	-	-	-	-	600
	750	9,266	17,603	27,619	34,046

Insurance of £1,630 (2017 -£2,229), light and heat of £1,987 (2017 - £2,148), repairs of £5,481 (2017 - £12,704), and depreciation of £7,979 (2017 - £7,979).

Other expenditure includes advertising of £66 (2017 -£122), general expenses of £3,127 (2017 - £2,573), subscriptions of £534 (2017 - £30), and depreciation of £1,287 (2017 - £2,826).

Governance costs includes independent examiner's fees of £600 (2017 - £600).

7 Directors

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

One trustee were paid honorariums of £750 (2017 - £Nil) 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 2018

9 Tangible fixed assets

	Land and Buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 March 2017	428,925	121,297	550,222
Disposals	-	-	-
As at 28 February 2018	<u>428,925</u>	<u>121,297</u>	<u>550,222</u>
Depreciation			
At 1 March 2017	105,656	108,339	213,995
Charge for the year	7,979	1,287	9,266
As at 28 February 2018	<u>113,635</u>	<u>109,626</u>	<u>223,261</u>
Net book value			
At 28 February 2018	<u>315,290</u>	<u>11,671</u>	<u>326,961</u>
At 28 February 2017	<u>323,269</u>	<u>12,958</u>	<u>336,227</u>

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

10 Debtors

	2018	2017
	£	£
Other debtors	<u>- 729</u>	<u>1,088</u>

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals	<u>600</u>	<u>600</u>

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

FOR THE YEAR ENDED 28 FEBRUARY 2018

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	incoming	Resources	Balance at
	01-Mar	resources	expended	28-Feb
	2017			2018
	£	£	£	£
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	Restricted	Total
	funds	funds	
	£	£	£
Fund balances at 28 February 2017 are represented by:			
Tangible fixed assets	- 10,506	337,467	326,961
Current assets	17,173	-	17,173
Creditors: amounts falling due within one year	- 600	-	600
	6,067	337,467	343,534

14 Control

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