

COMPANY REGISTRATION NUMBER: SC215744
CHARITY REGISTRATION NUMBER: SC013628

Nairn Drama Limited
Company Limited by Guarantee
Financial Statements
28 February 2023



RITSON YOUNG
Chartered accountants
28 High Street
Nairn
IV12 4AU

Nairn Drama Limited
Company Limited by Guarantee
Financial Statements
Year ended 28 February 2023

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Nairn Drama Limited

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report)

Year ended 28 February 2023

The directors, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 28 February 2023.

Reference and administrative details

Registered charity name Nairn Drama Limited

Charity registration number SC013628

Company registration number SC215744

Registered office The Little Theatre
King Street
Nairn
Scotland
IV12 4NP

The directors

Iain Bruce	(Resigned 27 July 2022)
Mary Hemsworth	
Karen Kemp	(Resigned 27 July 2022)
Dionne Monteiro	(Resigned 14 April 2023)
Raymond Atkinson	(Appointed 31 January 2023)
Morven Henderson	(Appointed 27 July 2022)
Jean Morrison	(Resigned 27 July 2022)

Independent examiner Ritson Young
28 High Street
Nairn
IV12 4AU

Nairn Drama Limited

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 28 February 2023

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:

Mary Hemsworth
Karen Kemp
Dionne Monteiro
Jean Morrison
Morven Henderson McKillop
Ray Atkinson

None of the directors has any beneficial interest in the company. All the directors are members of the company and guarantee to contribute £1 in the event of 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

Nairn Drama Limited was established to foster and promote the maintenance, improvement, development, study and practice of dramatic art in all its forms and the knowledge, understanding and appreciation of dramatic art in all its forms among the inhabitants of Nairn and elsewhere.

This is achieved through the development, performance, and promotion of theatrical, film, and musical performances and further the work of creative artists in the field of dramatic arts.

The Nairn Drama Club produce a number of shows throughout the year and The Little Theatre is also a venue for touring performing arts. The theatre is managed and staffed entirely by volunteers.

Achievements and performance

In our first full year of operation since the COVID-19 pandemic forced a closure upon us, we have embarked on an ambitious programme not only of Nairn Drama Club performances but re-introducing the theatre to the community of Nairn and the Scottish Rural Touring circuit.

A team, comprised of volunteers with appropriate experience, has been assembled to focus on specific aspects of the theatre, managing the overall theatre building, front of house, wardrobe, and backstage / technical facilities. The introduction of these roles has resulted in a considerable operational cost saving as they reviewed maintenance agreements etc.

Following the extended closure, significant maintenance was carried out throughout the theatre premises in preparation to reopen and secure our operating license.

We launched a new website, with online booking for the first time; this has been universally well received by audience members.

The new online box office also captures feedback from audience after each performance, allowing us to use this information to inform future programming.

Nairn Drama Limited

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Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 28 February 2023

The Christmas Pantomime, Jack and the Beanstalk, was one of the most successful in our history, grossing £10,529 in box office sales alone. The pantomime additionally attracted a number of new members and a significant number of first-time audience members.

Investment was made in new Lighting Control to better take advantage of our existing equipment and in preparation for a transition to more efficient lighting.

The Nairn Book & Arts Festival staged multiple performances at the theatre and have booked to use it more extensively next year also. We anticipate this will lead to further community use of the facilities.

We welcomed the first touring shows, and booked more for the upcoming 2022/2023 year, bringing a more diverse range of performances to Nairn and enabling The Little Theatre to appeal to a wider, previously untapped, audience.

We are also in discussions with the National Theatre to bring National Theatre Live performances to the theatre as an additional stream of revenue and to further broaden our appeal and audience base.

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 the land. The restricted fund is a capital fund relating to the building of the Theatre and at 28 February 2023 held funds of £247,910 (2020 - £257,285).

It is the policy of the charity that unrestricted funds which have 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 the 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 have been maintained throughout the year.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors' annual report was approved on 22 Aug 23 and signed on behalf of the board of trustees by:

Mary Hemsworth
Director



Nairn Drama Limited

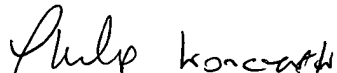
Company Limited by Guarantee

Independent Examiner's Report to the Directors of Nairn Drama Limited
(continued)

Year ended 28 February 2023

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Russell Young CA


Independent Examiner

28 High Street
Nairn
IV12 4AU

Nairn Drama Limited
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 28 February 2023

		Unrestricted funds	2023 Restricted funds	Total funds	2022 Total funds
	Note	£	£	£	£
Donations and legacies	5	60	—	60	3,329
Other trading activities	6	20,732	—	20,732	12,639
Total income		<u>20,792</u>	<u>—</u>	<u>20,792</u>	<u>15,968</u>
Expenditure					
Expenditure on charitable activities	7,8	12,463	9,375	21,838	18,374
Total expenditure		<u>12,463</u>	<u>9,375</u>	<u>21,838</u>	<u>18,374</u>
Net expenditure and net movement in funds		<u>8,329</u>	<u>(9,375)</u>	<u>(1,046)</u>	<u>(2,406)</u>
Reconciliation of funds					
Total funds brought forward		52,472	257,285	309,757	312,163
Total funds carried forward		<u>60,801</u>	<u>247,910</u>	<u>308,711</u>	<u>309,757</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

Nairn Drama Limited
Company Limited by Guarantee
Statement of Financial Position
28 February 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	12	283,298	289,466
Current assets			
Debtors	13	5,415	—
Cash at bank and in hand		22,276	27,081
		<u>27,691</u>	<u>27,081</u>
Creditors: amounts falling due within one year	14	2,277	6,790
Net current assets		<u>25,414</u>	<u>20,291</u>
Total assets less current liabilities		<u>308,712</u>	<u>309,757</u>
Net assets		<u>308,712</u>	<u>309,757</u>
Funds of the charity			
Restricted funds		247,910	257,285
Unrestricted funds		60,801	52,472
Total charity funds		<u>308,711</u>	<u>309,757</u>

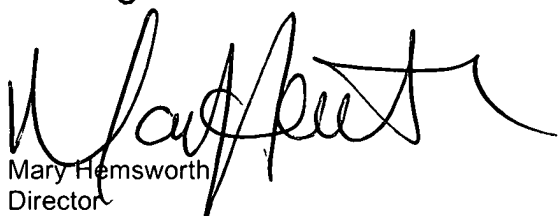
For the year ending 28 February 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 22 Aug 23 and are signed on behalf of the board by:


Mary Hemsworth
Director

The notes on pages 8 to 13 form part of these financial statements.

Nairn Drama Limited
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 28 February 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is The Little Theatre, King Street, Nairn, Scotland, IV12 4NP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the directors for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Nairn Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 28 February 2023

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Nairn Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 28 February 2023

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Fixtures and fittings	- 15% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Nairn Drama Limited
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 28 February 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

Nairn Drama Limited is a company limited by guarantee and accordingly does not have a share capital.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations				
Donations and gifts	60	60	3,329	3,329

6. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Subscriptions	410	410	525	525
Shows	17,047	17,047	10,656	10,656
Raffles	908	908	1,458	1,458
Advertising	1,442	1,442	—	—
Hires	925	925	—	—
	<u>20,732</u>	<u>20,732</u>	<u>12,639</u>	<u>12,639</u>

Nairn Drama Limited
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 28 February 2023

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Charitable activities	11,698	9,375	21,073
Support costs	765	—	765
	<u>12,463</u>	<u>9,375</u>	<u>21,838</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activities	8,659	9,054	17,713
Support costs	661	—	661
	<u>9,320</u>	<u>9,054</u>	<u>18,374</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Charitable activities	21,073	—	21,073	17,713
Governance costs	—	765	765	661
	<u>21,073</u>	<u>765</u>	<u>21,838</u>	<u>18,374</u>

9. Net expenditure

Net expenditure is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>9,375</u>	<u>9,054</u>

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

The average head count of employees during the year was 4 (2022: 4).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

11. Trustee remuneration and expenses

For the year to 28 February 2023 there has been no remuneration paid to any trustee of the company.

Nairn Drama Limited
Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 28 February 2023

12. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 March 2022	428,925	121,297	550,222
Additions	—	3,206	3,206
At 28 February 2023	<u>428,925</u>	<u>124,503</u>	<u>553,428</u>
Depreciation			
At 1 March 2022	145,551	115,205	260,756
Charge for the year	7,979	1,395	9,374
At 28 February 2023	<u>153,530</u>	<u>116,600</u>	<u>270,130</u>
Carrying amount			
At 28 February 2023	<u>275,395</u>	<u>7,903</u>	<u>283,298</u>
At 28 February 2022	<u>283,374</u>	<u>6,092</u>	<u>289,466</u>

13. Debtors

	2023 £	2022 £
Other debtors	<u>5,415</u>	<u>—</u>

14. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	801	4,700
Accruals and deferred income	750	600
Social security and other taxes	726	1,490
	<u>2,277</u>	<u>6,790</u>

Nairn Drama Limited
Company Limited by Guarantee
Management Information
Year ended 28 February 2023

The following pages do not form part of the financial statements.

Nairn Drama Limited

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 28 February 2023

	2023 £	2022 £
Income and endowments		
Donations and legacies		
Donations	60	3,329
Other trading activities		
Subscriptions	410	525
Shows	17,047	10,656
Raffles	908	1,458
Advertising	1,442	—
Hires	925	—
	<u>20,732</u>	<u>12,639</u>
Total income	<u>20,792</u>	<u>15,968</u>
Expenditure		
Expenditure on charitable activities		
Production costs	2,333	3,119
Rates and BID	213	—
Light and heat	2,559	1,337
Repairs and maintenance	1,166	1,035
Insurance	2,081	1,687
Other establishment	789	25
Other motor/travel costs	—	31
Licences	882	—
Legal and professional fees	765	661
Telephone	—	4
Other office costs	342	174
Depreciation	9,375	9,054
Bank and stripe charges	668	—
Printing, postage and stationery	—	283
Sundry expenses	665	964
	<u>21,838</u>	<u>18,374</u>
Total expenditure	<u>21,838</u>	<u>18,374</u>
Net expenditure	<u>(1,046)</u>	<u>(2,406)</u>