COMPANY REGISTRATION NUMBER: SC215744
CHARITY REGISTRATION NUMBER: SC013628

Nairn Drama Limited

Company Limited by Guarantee

Financial Statements

28 February 2026

RITSON YOUNG
28 High Street
Nairn
IV12 4AU

Nairn Drama Limited

Company Limited by Guarantee

Financial Statements

Year ended 28 February 2026

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Nairn Drama Limited

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

Year ended 28 February 2026

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 2026.

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

Mary Hemsworth	
Raymond Atkinson	
Megan Fraser	
Ross Henderson-Mckillop	(Resigned 28 May 2025)

Company secretary	Miss M Fraser
Independent examiner	Ritson Young 28 High Street Nairn IV12 4AU

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
Raymond Atkinson
Megan Fraser
Ross Henderson-Mckillop

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 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 production of club shows.

Achievements and performance

Nairn Drama Limited experienced a challenging start to the 2025–26 financial year with the departure of our Theatre and Stage Managers in early May. Ross and Morven Henderson McKillop brought a real passion for theatre, and a particular love for The Little Theatre, helping members of Nairn Drama Club and visiting touring companies to achieve new heights.

Drew Davidson generously stepped up to take on the role of Theatre Manager, working hard to provide thoughtful and reliable support for everyone using the theatre, whether performers, volunteers or members of the public.

Ray Atkinson also kindly stepped forward to support Drew, drawing on his extensive sound engineering experience to help ensure that audiences and performers received the best possible sound support.

Nairn Drama Limited is deeply grateful for the commitment, time and goodwill that both Drew and Ray have given so generously during this period.

Financially, the club had a very positive year. Although increased production costs resulted in a small loss of £3,113.00, income continued to grow, helping to meet the overall rise in costs and leaving the organisation in a resilient position.

Nairn Drama Club was proud to produce and perform a highly successful pantomime, *Sleeping Beauty*, alongside three-night runs of *Baskerville*, *Medusa on the Beach* and *Ghost Stories*.

Touring shows added further variety to the programme, including *The Fantastic Life of Minnie Rubinski*, *Is That a Whip?*, multiple performances during the annual Book & Arts Festival, and a number of National Theatre Live screenings.

Nairn Drama Limited continues to look ahead with confidence, supported by its in-house productions, dedicated volunteers, financial reserves and technical skills. Together, these strengths will help us continue to provide Nairn with high-quality theatre and memorable performances for years to come.

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 2026 held funds of £214,850 (2025 - £226,381).

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 29-7-2026 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

Year ended 28 February 2026

I report to the directors on my examination of the financial statements of Nairn Drama Limited ('the charity') for the year ended 28 February 2026.

Responsibilities and basis of report

As the directors of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 44(1)(c) of the 2005 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Independent examiner's statement

Since the charity is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of ICAS which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act, section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; or

2. the financial statements do not accord with those records or with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or

3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or

4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Nairn Drama Limited

Company Limited by Guarantee

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

Year ended 28 February 2026

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.

Ritson Young
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 2026

	Note	2026 Unrestricted funds £	 Restricted funds £	 **Total funds** £	2025 Total funds £
Income and endowments					
Donations and legacies	**5**	–	–	–	59
Other trading activities	**6**	34,289	–	34,289	28,917
Other income	**7**	–	1,985	1,985	5,081
Total income		34,289	1,985	36,274	34,057
Expenditure					
Expenditure on charitable activities	**8,9**	25,871	13,516	39,387	34,174
Total expenditure		25,871	13,516	39,387	34,174
Net expenditure and net movement in funds		8,418	(11,531)	(3,113)	(117)
Reconciliation of funds					
Total funds brought forward		81,846	226,381	308,227	308,344
Total funds carried forward		90,264	214,850	305,114	308,228

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 2026

	Note	2026 £	2025 £
Fixed assets			
Tangible fixed assets	13	278,231	290,238
Current assets			
Cash at bank and in hand		44,317	38,658
Creditors: amounts falling due within one year	14	17,434	20,669
Net current assets		26,883	17,989
Total assets less current liabilities		305,114	308,227
Net assets		305,114	308,227
Funds of the charity			
Restricted funds		214,850	226,381
Unrestricted funds		90,264	81,847
Total charity funds		305,114	308,228

For the year ending 28 February 2026 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 29-7-2026, 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.

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.

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.

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.

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 2026 £**	Unrestricted Funds £	Total Funds 2025 £
Donations				
Donations	–	–	59	59

6. Other trading activities

	Unrestricted Funds £	**Total Funds 2026 £**	Unrestricted Funds £	Total Funds 2025 £
Subscriptions	720	720	442	442
Shows	29,955	29,955	24,125	24,125
Raffles	1,539	1,539	1,000	1,000
Advertising	1,275	1,275	2,179	2,179
Hires	800	800	1,171	1,171
	34,289	34,289	28,917	28,917

7. Other income

	Restricted Funds £	**Total Funds 2026 £**	Restricted Funds £	Total Funds 2025 £
Capital grants released	1,985	1,985	5,081	5,081

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2026 £**
Charitable activities	24,788	13,516	38,303
Support costs	1,083	–	1,084
	25,871	13,516	39,387

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Charitable activities	18,901	14,121	33,023
Support costs	1,151	–	1,151
	20,052	14,121	34,174

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2026 £**	Total fund 2025 £
Charitable activities	38,303	–	38,303	33,023
Governance costs	–	1,084	1,084	1,151
	38,303	1,084	39,387	34,174

10. Net expenditure

Net expenditure is stated after charging/(crediting):

	2026 £	2025 £
Depreciation of tangible fixed assets	13,515	14,122

11. 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 (2025: 4).

No employee received employee benefits of more than £60,000 during the year (2025: Nil).

12. Trustee remuneration and expenses

For the year to 28 February 2026 there has been no remuneration paid to any trustee of the company.

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	**Total £**
Cost			
At 1 March 2025	428,925	158,703	587,628
Additions	–	1,509	1,509
At 28 February 2026	428,925	160,212	589,137
Depreciation			
At 1 March 2025	170,088	127,302	297,390
Charge for the year	8,579	4,937	13,516
At 28 February 2026	178,667	132,239	310,906
Carrying amount			
At 28 February 2026	250,258	27,973	278,231
At 28 February 2025	258,837	31,401	290,238

14. Creditors: amounts falling due within one year

	2026 £	2025 £
Bank loans and overdrafts	4,766	5,527
Accruals and deferred income	12,570	14,480
Social security and other taxes	98	662
	17,434	20,669

15. Deferred income

	2026 £	2025 £
At 1 March 2025	13,230	–
Amount released to income	(1,985)	(5,081)
Amount deferred in year	–	18,311
At 28 February 2026	11,245	13,230

Nairn Drama Limited

Company Limited by Guarantee

Management Information

Year ended 28 February 2026

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 2026

	2026	2025
	£	£
Income and endowments		
Donations and legacies		
Donations	–	59
Other trading activities		
Subscriptions	720	442
Shows	29,955	24,125
Raffles	1,539	1,000
Advertising	1,275	2,179
Hires	800	1,171
	34,289	28,917
Other income		
Capital grants released	1,985	5,081
Total income	36,274	34,057
Expenditure		
Expenditure on charitable activities		
Production costs	11,516	8,489
Printing programmes	703	681
Rates and water	–	400
Light and heat	2,798	1,676
Repairs and maintenance	1,475	1,302
Insurance	2,636	2,459
Storage rent	1,400	1,400
Honoraria	–	250
Motor and travel costs	–	84
Accountancy fees	1,084	1,151
Telephone	390	337
Subscriptions and memberships	1,166	650
Cleaning	114	350
Depreciation	13,515	14,122
Bank and stripe charges	34	466
Printing, post and stationery	1,086	104
Sundry expenses	179	253
Hire costs	369	–
Licences	922	–
	39,387	34,174
Net expenditure	(3,113)	(117)