



**APPLICATION FORM TO APPLY TO
THE NAIRN COMMON GOOD FUND FOR FUNDING**

Applicant organisation:	Nairn Community and Arts Centre		
Project title:	Operating Cost Support – Escalating Cost due to the current Financial Crisis including inflationary pressures.		
Project location (inc. postcode):	King Street, Nairn, IV12 4BQ		
Contact name:	Michael Mitchell		
Applicant Address (inc. postcode):	Nairn Community and Arts Centre King Street Nairn, IV12 4BQ		
Email address:	[REDACTED]		
Contact telephone:	[REDACTED]		
Organisation Website:	nairncc.co.uk		
Council Ward: (check guidance for link)	Ward 18		
Does the main contact have any communication needs? E.g., textphone, sign language, large print?			
Yes		No	X

What type of organisation are you? (Please tick all that apply)

Third Sector (voluntary or community) organisation	<input type="checkbox"/>	Community Council	<input type="checkbox"/>
Registered Charity If yes – Registration number SC026041	Yes	Company Limited by Guarantee If yes – Company Number SC172235	Yes
Other - please specify			

Amount applied for	£50,000.00
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Start date of project:	June 2024
End date of project:	December 2024

Project summary – please provide a brief outline of your project and the outcomes it will deliver. *example:*

- *Aims of the project and how you are going to do it*
- *Is this a new project/service or an additional activity to an existing project or service?*
- *Help with running costs or for a specific project or activity?*
- *Please include details of how you know there is a need for this project*
- *Who will benefit? It is important to state in your application how your project will benefit the citizens of the Nairn*
- **Please note** that the Council (NCGF) will be unable to provide any resources towards activities/items not specified on this form or supporting information

The funding is required to support the Centre's financial position and allow it to continue to operate. It will augment the current operating income and support ongoing costs through to the end of the 2024 calendar year.

Income for 2024/25 is projected to generate funds of £228,650 and is based on the actual income achieved in 2023/24 of £212,778. Based on the continuing trend of recovering from COVID-19 the budgeted projection in income is achievable and should be exceeded. All office rents have been increased by 10% in 2024/25 and all room hires have increased by a modest amount retaining the charity's commitment to make the Community Centre affordable to the many local community groups. Other function/event charges have been increased to take account of increased salary and running costs.

Expenditure for 2024/25 is projected to be £291,481. Salary costs based on the current number of employees and taking account of paying the real living wage is £192,495. The two main spending lines included in other expenditure allow for heating and lighting costs at £38,000 and repairs and maintenance of £12,000.

The funding of £50,000 will support the increased salary costs due to paying the real living wage, increase in utility costs, and the increase in repairs due to an aging building.

At NCAC, our mission is to provide an inclusive facility that serves as the beating heart of our community. With over 52 supported groups, including those catering to protected and vulnerable demographics, our space fosters intergenerational connections and accessibility for all.

As a cornerstone of Nairn's charitable, social, cultural, and entertainment scene, NCAC welcomes over 75,000 visitors annually. Our diverse range of activities—from art and crafts to music and fitness—caters to all interests and abilities, promoting mutual betterment and support for our community.

Addressing vulnerability without boundaries, we offer essential support to various community groups, ensuring no one is left behind. Whether it's our Seniors Lunch Club or gardening sessions, NCAC provides a nurturing environment for those in need.

Additionally, our facility accommodates various organisations, renting out office space to Highland Home Carers, Nairn BID, Listenwell, the Croileagan and providing kitchen facilities for HC's Early Learning and Childcare program. Regular users such as Music Nairn, Cinema Nairn, and Nairn Book and Arts Festival contribute to our vibrant cultural landscape, with monthly art exhibitions showcasing local talent.

With bookings secured well into 2025, NCAC remains a hub of creativity, inclusion, and community engagement, enriching lives and fostering connections for years to come.

Please give a summary of expected outcomes from your project.

Please include details:

- *How your project will continue beyond the period of NCGF support?*
- *How your project or activity will help the Council to meet its Public Sector Equality Duty?*
- *Will your project make a contribution towards the promotion of the Gaelic language?*
- **Please Note** *you will be expected to submit an Evaluation Report (a form will be supplied) at the conclusion of your project and prior to the payment of the final instalment of grant.*
- **Please Note** *If successful your grant will be valid for a period of six months from the date of the letter confirming Project Funding your award. Extensions can be applied for in writing if made within the period of validity.*

The Centre requires an external funding subsidy to allow it to continue to operate and provide the vital services to the Nairn Community. This funding will augment the current income streams generated by the Centre and help support our escalating operating costs. This funding will also give the Board of Directors time to operationalise its revised business plan. This plan includes a full re-evaluation of the current operating and financial models with a focus on financial sustainability to secure the Centre's future.

The Board has initiated a full review of the Centre's operation and finances in line with the ongoing Business Plan. This will include a focus on the following:

- Review of all rental charges - both commercial and community.
- Review staff requirements in line with the Centre's operation and public demand for the facilities.
- Marketing program to generate a better understanding within the Nairn Community of the Centre's status as a Scottish Charity, its importance to the town and a requirement for greater public support and volunteering.
- Further promote the recently introduced 50/50 club/lottery. The target is to sell 400 tickets. This will generate £12,000 per annum to support ongoing costs.
- Evaluate the possibility of creating a membership/friends scheme to generate additional annual revenue.
- Launch our Sponsorship program which is targeted on support from local businesses. Initial conversations have already taken place with several local businesses to sign up for a multi-year relationship.
- Build additional skills within the Board of Directors.

PROJECT COSTS

Please provide a breakdown of how much your activities/project will cost splitting between revenue and capital expenditure. Please Note grant recipients are expected to provide evidence of value for money.	Amount (£)
Support operating costs through to December 2024	50,000.00
Total Project Cost	50,000.00

PROJECT FUNDING

How will the project be funded? <i>(What other organisations have you applied to?)</i>	Amount (£)	Confirmed
Total Match Funding		
Total Inverness Common Good Fund Funding Requested		
Own Contribution		
Total Project Funding		

If there is a shortfall in funding, how do you propose to fund it?

This funding will allow the Board of Directors the time to re-evaluate our current operating and financial models with the focus on financial sustainability.

About your Organisation

<p>When did your Organisation start?</p>	<p>2007</p>
<p>What geographic area does your organisation cover? Please note the Nairn Common Good Fund can only help with projects that bring direct benefit to the citizens of Nairn.</p>	<p>Nairn</p>
<p>What communities of interest (e.g. Young people, people with disabilities, people with an ethnic minority background etc.) does your organisation cover?</p>	<p>We provide facilities for everyone in the community, including those in protected groups and disadvantage</p>
<p>Is there a restriction on who can join your organisation? If yes please give details.</p>	<p>No – our facilities are provided for the community of Nairn</p>
<p>Has your organisation received any funding from the Nairn Common Good Fund over the last 3 years. If yes please give details of when/what for/how much.</p>	<p>No</p>
<p>Has your organisation received any other funding from the Highland Council or any Common Good Fund over the last 3 years? If yes please give details of when/what for/how much.</p>	<p>Yes – we received a small grant from the Ward Discretionary Fund in 2020 for the sum of £5,400.00. This was provided to support the Centre’s Climate/Energy project and enabled us to attract additional funding of £24,0000</p>

Bank Details

Name of Bank	██████████
Account Name	██
Account Number	██████████
Sort Code	██████████

Checklist

To ensure that the Highland Council can consider your application, please tick boxes to show what you have enclosed. Please ensure that you have enclosed the following information:

Externally verified Statement of Accounts as presented to your latest AGM for the last 3 years	X
OR	
For new organisations which have been established less than 12 months, please give an estimate of first year's income and expenditure	<input type="checkbox"/>
AND	
A copy of your organisation's last 3 months bank statements (for very new organisations a single bank statement will be sufficient)	X
AND	
A copy of your organisation's constitution/Company Documentation	X
AND (if applicable)	
Three quotes for goods or services	<input type="checkbox"/>
AND	
A Business Plan (where requested)	X
AND	
Any other supporting information	<input type="checkbox"/>

Declaration: We confirm that we are allowed to submit this application on behalf of:

Name Of Organisation: ...Nairn Community and Arts Centre.....

We undertake to ensure that all the necessary enclosures are included, that the information is, to the best of our knowledge, accurate and that this application complies with the Highland Council's Conditions of Award. The data you have provided in the application and claim forms will be recorded on an electronic data base and are subject to the provisions of the Freedom of Information Act (Scotland) Act 2002 and the Data Protection Act 1998.


Please provide 2 signatures. Signatory 1 should be the Chairperson of the Organisation and signatory 2 should be the person who has filled out the form. If these two people are the same, signatory 2 should be another member of your organisation's committee.


Signatory 1:

Signatory 2:

Print Name: Michael Mitchell.....

.....Robert Ferenth.....

Signature:.....

..........

Date: 7th June 2024.....

7th June 2024.....

Please confirm you have read and understood the [Privacy Notice](#): Yes No

Please confirm you have read and understood the Funding Terms and Conditions which can be found in the Guidance Notes: Yes No

Completed forms should be emailed to: Policy6@highland.gov.uk

The Companies Act 2006

NAIRN COMMUNITY & ARTS CENTRE
(Company Limited by Guarantee and not having a share capital)



ARTICLES OF ASSOCIATION

Company Number: SC172235

Incorporated on 12th February 1997

1. The name of the Company (hereinafter referred to as "the Company") is

NAIRN COMMUNITY & ARTS CENTRE

2. The Company's registered office is to be situated in Scotland.

3. This clause shall be interpreted as if it incorporated an over-riding qualification limiting the powers of the company such that any activity which would otherwise be permitted by the terms of the clause may be carried on only if that activity furthers a purpose which is regarded as charitable for the purposes of Section 505 of the Income and Corporation Taxes Act 1988 (including any statutory amendment or re- enactment for the time being in force). Subject to that over-riding qualification, the objects for which the company is established are: -
 - a) To promote the benefit of the inhabitants of Nairn District, without distinction of sex or of political, religious or other opinions, by associating the Local Authorities, voluntary organisations, other bodies of whatever status and inhabitants in a common effort to advance education and to provide, or assist in the provision of, facilities in the interests of social welfare for recreation or other leisure-time occupation with the object of improving the conditions of life of the said inhabitants; and

 - b) To establish or secure the establishment of Nairn Community Centre and to maintain and manage the Centre for activities promoted by the company in furtherance of the above objects.

4. The liability of the Members is limited. Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while she/he is a member or within one year after she/he ceases to be a member for payment of the Company's debts and liabilities contracted before she/he ceases to be a member and of the cost, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

DIRECTORS' POWERS AND RESPONSIBILITIES

5. Directors' general authority

Subject to the articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

6. Members' reserve power

- 1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

7. Directors may delegate

- 1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
 - a) to such person or committee.
 - b) by such means (including by power of attorney),
 - c) to such an extent,
 - d) in relation to such matters or territories; and
 - e) on such terms and conditions as they think fit.
- 2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 3) The directors may revoke any delegation in whole or part or alter its terms and conditions.

8. Committees

- 1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- 2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

9. Directors to take decisions collectively

- 1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- 2) If:
 - a) The Company only has one director, and
 - b) no provision of the articles requires it to have more than one director,the general rule does not apply, and the director may, subject to articles 10(3) and 18 take decisions without regard to any other of the provisions of the articles relating to

directors' decision-making.

10. Unanimous decisions

- 1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

11. Calling a directors' meeting

- 1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice.
- 2) Notice of any directors' meeting must indicate:
 - a) Its proposed date and time;
 - b) where it is to take place; and
 - c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 3) Notice of a directors' meeting must be given to each director but need not be in writing.
- 4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

12. Participation in directors' meetings

- 1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - a) The meeting has been called and takes place in accordance with the articles, and
 - b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- 3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

13. Quorum for directors' meetings

- 1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors. Unless otherwise amended, the number shall be five.
- 3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - a) To appoint further directors, or;
 - b) to call a general meeting so as to enable the members to appoint further directors.

14. Chairing of directors' meetings

- 1) The directors may appoint a director to chair their meetings.
- 2) The person so appointed for the time being is known as the chairman.
- 3) The directors may terminate the chairman's appointment at any time.
- 4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

15. Casting vote

- 1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall not have a casting vote. The motion in question shall be referred to the next meeting of the directors.

16. Conflicts of interest

- 1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 3) This paragraph applies when:
 - a) The Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - b) the director's interest cannot reasonably be regarded as likely to give rise to a

- conflict of interest; or
- c) the director's conflict of interest arises from a permitted cause.
- 4) For the purposes of this article, the following are permitted causes:
 - a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
 - b) subscription, or an agreement to subscribe, for shares or other securities of any of the Company's subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
 - c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.
 - 5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
 - 6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
 - 7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
 - 8) Where the number of non-conflicted directors is less than the quorum for the purposes of approving a resolution authorizing any situation or transaction constituting a conflict as anticipated by the Companies Acts, the quorum shall be all the disinterested directors.
 - 9) When all the directors of the Company are conflicted, the Company shall pass the conflict to the Company's members for approval by ordinary resolution.

17. Records of decisions to be kept

The directors must ensure that the Company keeps a record, in writing or in such other format as the directors may determine, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

18. Directors' discretion to make further rules

Subject to the articles, the directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

19. Methods of appointing directors

- 1) The minimum number of directors shall be five.
- 2) A person shall not be eligible for election/appointment as a director unless he/she is a member of the company:
 - a) by ordinary resolution, or
 - b) by a decision of the directors.
- 3) In any case where, as a result of death, the Company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director.
- 4) For the purposes of paragraph (2), where 2 or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.
- 5) The number of directors shall not exceed twelve.

20. Termination of director's appointment

A person ceases to be a director as soon as:

- 1) That person ceases to be a director by virtue of any provision of the 2006 Act or is prohibited from being a director by law,
- 2) a bankruptcy order is made against that person,
- 3) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- 4) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- 5) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.
- 6) Where immediately prior to an annual general meeting there are two vacancies on the board of directors, there shall be no requirement for any director to retire. Where there is one vacancy, the longest serving director shall retire at that meeting. Where there are no vacancies, the two longest serving directors shall retire. Where directors have served for an equal length of time, the order of seniority shall be determined alphabetically by reference to each director's surname.
- 7) All retiring directors shall be eligible for re-election.

21. Directors' remuneration

- 1) Directors may undertake any services for the Company that the directors decide.

- 2) No director shall be entitled to any remuneration.

22. Directors' expenses

The Company may pay any reasonable travel expenses which the directors properly incur in connection with their attendance at meetings or functions out with Nairn.

MEMBERS - BECOMING AND CEASING TO BE A MEMBER

23. Applications for membership

Membership shall be open to any individual over 16 years of age resident in or within 20 miles of Nairn, and to any body corporate, trust or unincorporated association operating in Nairn, and in the case of any such body the registered member of the company must be an individual over 16 years of age nominated in writing by the body.

Employees of the company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a member.

No person shall become a member of the Company unless:

- a) that person has completed an application for membership in a form approved by the directors, and
- b) the directors have approved the application.

The directors shall be entitled to refuse to admit any individual to membership if in their opinion, acting reasonably, the admission of that individual to membership would be likely to significantly prejudice the reputation and good standing of the Company or would be likely to lead to significant disruption to the efficient conduct of general meetings of the Company. If the directors exercise their entitlement to refuse admission to membership, they shall notify the applicant in writing accordingly within a period of 21 days after the date on which the application was received by the Company, otherwise the applicant will become a member of the Company with effect from the expiry of said period.

24. Minimum number of members

The minimum number of members is 20; in the event that the number of members falls below 20, the directors may not conduct any business other than to ensure the admission of sufficient members to achieve the minimum number.

For the avoidance of doubt, the majority of the members of the Company (i.e. of all members of the Company) shall be individuals eligible under Article 23.

25. Register of members

The directors shall cause a register of members to be maintained in accordance with section 113 of the 2006 Act.

26. Termination of membership

- 1) A member may withdraw from membership of the Company by giving 7 days' notice to the Company in writing.
- 2) Membership is not transferable.
- 3) A person's membership terminates when that person dies or ceases to exist.

27. Expulsion from membership

- 1) The Company may, by special resolution, expel any individual from membership.
- 2) Any member who wishes to propose at any meeting a resolution for the expulsion of any individual from membership shall lodge with the Company written notice of his/her intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than four weeks before the date of the meeting.
- 3) The Company shall, on receipt of a notice under 27.2, forthwith send a copy of the notice to the member concerned, and the member concerned shall be entitled to be heard on the resolution at the meeting.
- 4) An individual expelled from membership shall cease to be a member with effect from the time at which the relevant resolution is passed.

ORGANISATION OF GENERAL MEETINGS

28. Attendance and speaking at general meetings

- 1) A member is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 2) A member is able to exercise the right to vote at a general meeting when:
 - a) That person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

- 5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

29. Quorum for general meetings

The quorum for a general meeting shall be ten members and no business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

30. Chairing general meetings

- 1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
 - a) The directors present, or
 - b) (if no directors are present), the meeting must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

31. Attendance and speaking by directors and non-members

The chairman of the meeting may permit other persons who are not members of the Company to attend and speak at a general meeting.

32. Adjournment

- 1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
 - a) The meeting consents to an adjournment, or
 - b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 4) When adjourning a general meeting, the chairman of the meeting must:

- a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- a) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - b) containing the same information which such notice is required to contain.
- 6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

33. Voting: General

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded and acted upon in accordance with these articles and sections 321 and 322 of the 2006 Act.

Each member shall have one vote.

34. Errors and disputes

- 1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 2) Any such objection must be referred to the chairman of the meeting whose decision is final.

35. Poll votes

- 1) A poll on a resolution may be demanded:
 - a) In advance of the general meeting where it is to be put to the vote, or
 - b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 2) A poll may be demanded by:
 - a) The chairman of the meeting;
 - b) the directors;
 - c) two or more persons having the right to vote on the resolution; or
 - d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

- 3) A demand for a poll may be withdrawn if:
 - a) The poll has not yet been taken, and
 - b) the chairman of the meeting consents to the withdrawal.
- 4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

36. Content of proxy notices

- 1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
 - a) States the name and address of the member appointing the proxy;
 - b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
 - e) Any document appointing a proxy must be lodged with the Chairman 24 hours before the appointed hour of the General Meeting.
- 2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 4) Unless a proxy notice indicates otherwise, it must be treated as:
 - a) Allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

37 Delivery of proxy notices

- 1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 2) An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

ADMINISTRATIVE ARRANGEMENT

38. Means of communication to be used

- 1) Anything sent or supplied by or to the Company under the articles will be emailed unless a director/member requests a reasonable alternative.
- 2) The length of notice required for any general meeting and the giving of information to members in regard to their right to appoint proxies shall be 12 days; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditor for the time being of the Company.
- 3) Any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 4) A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

39. Company seals

The company does not have a seal.

40. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

41. Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

42. Rules

- 1) The directors may from time to time make such rules or bye laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, they may by such rules or bye laws regulate:

- a) The admission and classification of members of the Company (including the admission of organisations to membership) and the rights and privileges of such Members and the conditions of membership and the terms on which members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by members;
 - b) the conduct of members of the Company in relation to one another, and to the Company's servants;
 - c) the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;
 - d) the procedure at general meetings and meetings of the directors and committees of the directors in so far as such procedure is not regulated by the Articles;
 - e) generally, all such matters as are commonly the subject matter of company rules.
- 2) The Company in general meeting shall have power to alter, add to or repeal the rules or bye laws and the directors shall adopt such means as they think sufficient to bring to the notice of members of the Company all such rules or bye laws, which shall be binding on all members of the Company. Provided that no rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Memorandum or the Articles.

43. Profits not to be distributed

The income and property of the Company shall be applied solely towards the promotion of the Company's objects and activities and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Company, and no Director shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company.

DIRECTORS' INDEMNITY AND INSURANCE

44. Indemnity

- 1) Subject to paragraph (2), a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:
 - a) Any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
 - b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act),
 - c) any other liability incurred by that director as an officer of the Company or an associated company.

- 2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 3) In this article:
 - a) Companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - b) a "relevant director" means any director or former director of the Company or an associated company.

45. Insurance

- 1) The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.
- 2) In this article:
 - a) A "relevant director" means any director or former director of the Company or an associated company,
 - b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
 - c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

46. Dissolution

- 1) If on the winding-up of the Company any property remains after satisfaction of all the Company's debts and liabilities, such property shall not be paid to or distributed among the members of the Company but shall be transferred to some other body or bodies with charitable purposes (whether incorporated or unincorporated) whose objects are altogether or in part similar to the objects of the Company and whose constitution restricts the distribution of income and assets among members to any extent at least as great as does Article 43 of these Articles of Association.
- 2) The body or bodies to which property is transferred under Article 46.1 shall be determined by the members of the Company at or before the time of dissolution or, failing such determination, by such court as may have or may acquire jurisdiction.
- 3) To the extent that effect cannot be given to the provisions of Articles 46.1 and 46.2, the relevant property shall be applied to some other charitable object or objects.



Nairn Community and Arts Centre
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Charity No SC026041, Company No. 172235
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Business Plan: Nairn Community and Arts Centre

I. Executive Summary:

The Nairn Community and Arts Centre, established in 2007 is a cornerstone of cultural enrichment and community engagement, it is committed to fostering creativity, inclusivity, and sustainability. Our business plan outlines a strategic roadmap to enhance key areas of service and opportunity: Community Groups, Visual and Performing Culture/Art, Community Engagement, and Commercial Office and Events Venue.

II. Charitable Objective, Mission, and Vision:

Charitable Objective: (i) To promote the benefit of the inhabitants of Nairn District, without distinction of sex or of political, religious or other opinions, by associating the Local Authorities, voluntary organisations, other bodies of whatever status and inhabitants in a common effort to advance education and to provide, or assist in the provision of, facilities in the interests of social welfare for recreation or other leisure-time occupation with the object of improving the conditions of life of the said inhabitant and (ii) To secure Nairn Community Centre and to maintain and manage it for activities promoted by the company in furtherance of the above objects.

Mission: To be a dynamic and inclusive space that empowers community groups, celebrates visual and performing arts, engages the local community, and serves as a versatile commercial office and events venue.

Vision: A thriving, multifaceted Centre that reflects and elevates the diverse needs of Nairn, offering a platform for creativity, community connection, and sustainable charitable and business ventures.

III. Organisational Structure:

Board of Directors: The Centre is managed by a voluntary Board of Directors, committed to providing a facility that underpins community activities and remains accessible to all. The Board manages risk, governance, finance, business and commercial strategy and human resources.

Centre Staffing: We are staffed by seven enthusiastic and friendly colleagues. They are led by a Centre Manager, whose responsibility is to run the Centre on a day to day basis and support the development of current and future services and events. We are very proud of our staff and the level of service quality that they provide – their versatility and “can do” attitude is at the foundation of the Centres success.

IV. Our Values:



Openness - We work collaboratively to build trust in our expertise; we do not work in silos of self-interest.

Respect - We always listen and respond to customers and colleagues; we do not ignore the needs of others.

Innovation - We always look to make things better in the future; we do not accept the status quo.

Ownership - We always take responsibility for our actions; we do not expect others to cover for us.

Excellence - We seek to deliver the very best; we do not and will not accept anything less.

V. Community Groups:

1. Group Support Programs:

- Develop tailored support programs for diverse community groups, including workshops, training, and resources.
- Establish a community liaison role to facilitate communication and collaboration between the Centre and local groups.
- Offer affordable and flexible venue spaces to accommodate various community activities.

2. Community Group Showcases:

- Organise regular showcases featuring the achievements and contributions of local community groups.
- Host collaborative events where different groups can share their experiences and collaborate on joint initiatives.
- Provide promotional opportunities within the Centre and on digital platforms to increase visibility.

VI. Visual and Performing Culture/Art:

1. Exhibitions and Performances:

- Curate a diverse range of visual art exhibitions, showcasing local and regional artists.
- Host regular performing arts events, including concerts, theatre productions, and dance performances.
- Collaborate with artists-in-residence programs to foster creativity and community engagement.

2. Art Education and Workshops:

- In collaboration with local community groups develop art education programs for all age groups, offering classes, workshops, and interactive sessions.

- Facilitate partnerships with local schools to integrate arts into the curriculum.
- Host art-related events such as masterclasses and skill-sharing sessions.

VII. Community Engagement:

1. Public Forums and Events:

- Organise regular town hall meetings and forums to gather community input and address concerns.
- Plan community-centric events, festivals, and thematic celebrations to encourage participation.
- Implement community-driven initiatives, such as public art installations and collaborative projects.

2. Educational Outreach:

- Expand educational initiatives targeting diverse demographics, emphasising inclusivity and accessibility.
- Establish partnerships with local organisations to provide educational resources and support.
- Develop outreach programs to engage underserved communities and promote cultural inclusivity.

VIII. Commercial Office and Events Venue:

1. Venue Rentals:

- Optimize venue spaces for corporate events, conferences, and private functions.
- Offer flexible and competitive rental packages for businesses and event organisers.
- Provide comprehensive event management services, including catering and technical support.

2. Commercial Office Spaces:

- Develop co-working and office rental spaces for local businesses and entrepreneurs.
- Offer flexible lease arrangements and business support services.
- Create a vibrant and collaborative environment, fostering networking and innovation.

IX. Financial Projections:

- Develop detailed financial projections, including revenue streams, expenses, and growth targets for each service area.
- Diversify funding sources through grants, donations, ticket sales, memberships, venue rentals, and office space leases.
- Implement cost-saving measures and efficiency improvements to ensure financial sustainability.
- Corporate sponsorship
- Fundraising events
- Public Funding Campaigns – fostering a sense of community ownership and contribution.
- Philanthropic Contributions
- Partnerships with Arts Organizations

X. Strategic Goals:

1. Financial Stability:

- Secure additional funding to cover escalating utility costs.
- Diversify income streams through grant applications, partnerships, and fundraising events.

2. Community Engagement:

- Increase annual attendance to 80,000 by expanding and promoting existing programs.
- Enhance outreach to underrepresented groups within the community.
- Encouraging more community volunteers to help support events and augment our staffing.

3. Operational Efficiency:

- Evaluate and optimize operational processes to increase efficiency.
- Explore cost-saving initiatives without compromising program quality.

XI. Marketing and Outreach:

Target Audience: Residents of Nairn and surrounding areas, with a focus on diverse age groups, abilities, and interests.

Marketing Strategies: Utilise social media, community events, and local partnerships to promote programs and engage with the community.

XII. Risk Management:

Identified Risks:

1. Dependence on self-funding.
2. Escalating utility costs.
3. Limited outreach to underrepresented groups.
4. Succession planning – directors
5. Attracting new directors with the required skill sets to develop and guide the Centre to ensure its relevance and success.

Mitigation Strategies:

1. Seek diverse funding sources. Ongoing grant application program. Fundraising events within the Centre. Donations via fundraising events by other local organisations.
2. Promote a sponsorship program from within the local business community – encouraging them to better value the Centre and the value to them of being a part of the “heart of the community”.
3. Develop energy-saving initiatives and explore alternative suppliers. Engage Energy Efficient Scotland and other appropriate organisations for guidance and support.
4. Implement targeted outreach programs and collaborations.
5. Active program to encourage new directors – advertise locally.

XIII. Monitoring and Evaluation:

Key Performance Indicators:

1. Annual attendance figures.
2. Financial sustainability and budget adherence.
3. Successful grant applications and partnerships.
4. Further reductions to our energy consumption and environmental footprint.
5. A rolling program to encourage new directors onto the Board.

Evaluation Periods: Quarterly reviews of financial reports and program engagement. Annual assessments of strategic goals.

XIV. Conclusion:

The Nairn Community and Arts Centre's business plan aims to create a versatile and sustainable entity that caters to the diverse needs of the community. By strategically focusing on community groups, visual and performing arts, community engagement, and commercial ventures, we aspire to create a lasting impact on Nairn's charitable, cultural, social, and economic landscape.

Ultimately, the Centre's success and relevance to the Nairn Community requires active support from the people of Nairn and its business community. We have a fantastic resource, and it is incumbent on everyone that values the Centre to contribute to its future and the values that it provides.

It's all about our great town, Nairn, and its people!

DRAFT

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(Company Number - SC172235)

(Charity Number - SC026041)

NAIRN COMMUNITY & ARTS CENTRE
(COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT

AND

UNAUDITED FINANCIAL STATEMENTS

For the Year Ended 31 March 2022

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LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS	James A M Clark Michael J Mitchell Gordon C M Forbes Daniel S Farrell Peter D Saggars Robert Ferenth Alastair Forsyth Brian Blackley
REGISTERED CHARITY NUMBER	SC026041
COMPANY SECRETARY	Michael J Mitchell
COMPANY NUMBER	SC172235
REGISTERED OFFICE	Nairn Community Centre King Street Nairn IV12 4BQ
INDEPENDENT EXAMINER	Jamie Waugh FCA Johnston Carmichael LLP Clava House Cradlehall Business Park Inverness IV2 5GH

DIRECTORS' REPORT

The directors present their annual report and unaudited financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), including the provisions of Section 1A relevant to small entities, and Accounting and Reporting by Charities: 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors who held office during the period from 1 April 2021 to the date the financial statements were approved were as follows:

James A M Clark	
Michael J Mitchell	
Gordon C M Forbes	
Daniel S Farrell	
Alexander S Park	(Resigned 25 August 2021)
Peter D Saggars	
Thomas P Heggie	(Deceased 23 February 2022)
Angela McOwan	(Resigned 10 May 2022)
Robert Ferenth	
Alastair Forsyth	(Appointed 27 October 2022)
Brian Blackley	(Appointed 27 October 2022)

The organisation is a charitable company limited by guarantee, incorporated in Scotland on 12 February 1997. The company was registered as a charity in March 1997. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Nairn Community & Arts Centre is governed by its Board of Directors. The Board sets out the policies and objectives of the company. Members take part in the policy-making activities by discussing and passing resolutions at the Annual General Meeting.

Daily operational affairs and staffing are delegated to the Centre Manager, who in turn reports to the Chairman.

In accordance with OSCR recommendations the charity is aware of the requirement to formally train new directors in preparation for their roles as charity trustees.

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate our exposure to the major risks. The directors continue to monitor the risks and uncertainties arising from the global COVID-19 pandemic, ensuring the charity implements appropriate policies and procedures in accordance with all available guidance.

Just Enterprise, an organisation supported by the Scottish Government, committed to the growth and sustainability of Scotland's third sector, were engaged to discuss the future of the charity and succession planning. Issues that were considered in particular:

- ~ a review of the charity's governing documents to ensure they are fit for purpose;
- ~ the directors may wish to consider including fixed tenure for trustees and office bearers;
- ~ an assessment of the current skills on the Board and consideration of any skills gap;
- ~ a review of roles and responsibilities of the individual directors;
- ~ succession planning, especially for the position of office bearers, and gender balance of the Board; and
- ~ succession planning for staff retirements.

The original aim of the charity was to achieve complete financial independence within 25 years but with the cut in funding from Highland Council the strategic aim now is to generate sufficient income to cover costs excluding the annual depreciation charge. How to achieve this aim and knowing that the building is the charity's greatest asset is likely to require the testing of new ideas, creative thinking and the recruitment of fresh talent.

RECRUITMENT AND APPOINTMENT OF DIRECTORS

Under the company's Articles of Association the directors are not required to retire by rotation. However, each year, at the company's Annual General Meeting, the directors confirm that they will continue in office for the ensuing year. In light of the review undertaken by Just Enterprise, the Board are now actively looking to recruit new directors with particular expertise to enhance the current Board and with a view to succession planning. Two new directors were appointed in October 2022.

The directors consider the composition of the Board on a regular basis. As part of this the directors assess the current skills of the Board as well as the roles and responsibilities of individual directors. Potential new directors are considered for appointment based on the relevant skills and experience that they can offer.

NAIRN COMMUNITY & ARTS CENTRE**DIRECTORS' REPORT (Continued)****OBJECTIVES AND ACTIVITIES**

The objectives of the charitable company as set out in its memorandum and articles of association are as follows:

- To promote the benefit of the inhabitants of Nairn District, without distinction of sex or of political, religious or other opinions by associating the Local Authorities, voluntary organisations, other bodies of whatever status and inhabitants in a common effort to advance education and to provide, or assist in the provision of, facilities in the interests of social welfare for recreation or other leisure-time occupation with the object of improving the conditions of life of the said inhabitants; and
- To establish or secure the establishment of Nairn Community Centre and to maintain and manage the Centre for activities promoted by the company in furtherance of the above objects.

The principal activity of the company is to establish or secure the establishment of Nairn Community Centre and to maintain and manage the Centre for activities promoted by the company.

ACHIEVEMENTS AND PERFORMANCE

The year ended 31 March 2022 saw the charity's fourteenth full year in the new Community Centre. The facility was on reduced hours for the first five months of the financial year due to the ongoing coronavirus (COVID-19) pandemic. The lifting of restrictions in July/August 2021 allowed the facility to become fully operational from 1 September 2021. The scale of charges, which were in line with the previous facility and policy, were last reviewed at the February 2019 Board meeting, and with the Board's approval, were increased slightly from 1 April 2019. Due to COVID-19 the Board decided not to increase the charges, thus reaffirming the Board's commitment to make the Community Centre affordable to the many local community groups. Income from office rents were also affected by COVID-19 due to the closure of the Centre, and a review of the rentals was undertaken to ensure that charges are comparable to other commercial entities. This, and in conjunction with the reconfiguration of office space, has resulted in an increase in office rental income in the current financial year. Unfortunately the agreement that was in place around the rent of the cafe has ceased, however use of the Youth Café by Highlife Highland is now on an adhoc basis and is charged on a per session basis.

The administration of Nairn Community Transport is provided by Nairn Community & Arts Centre. After successful discussions with a view to achieve a more realistic cost recovery for the service provided the fee was increased to £15,000 in 2021/22.

PLANS FOR FUTURE PERIODS

The directors will continue to attract new user groups, functions and work with the Nairn Community to ensure the facility is utilised to its full potential. It is now even more important that the Board continues to look to ways to grow the business and to recruit new directors. Following this, to consider business planning to provide a strategic vision and specific aims for the charity over the next three years. The Board has lodged a "Notice of Interest" with Highland Council of taking ownership of the Centre building under Community Empowerment legislation and the Board aims to complete the process in 2022/23. 2022 saw the completion of the environmental enhancements and improvements to the Centre building. Given the impact of COVID-19 and the increases in utility costs it is the Board's intention to increase the scale of charges to be applied from 1 October 2022. Due to the roll-out of Early Learning and Childcare provision within the Nairn Area, Highland Council have committed to leasing the kitchen facility within the building for an annual sum of £12,000. The reconfiguration of office space has allowed the creation of a further office and has been rented to Listen Well Scotland for £3,000 per annum. The Board will continue to look to identifying new funding streams.

FUTURE GRANT FUNDING

Due to Highland Council budget cuts in recent years, the Centre no longer receives financial support from Highland Council and is now self-sufficient, generating all of their funding from its own endeavours. The loss of financial support from Highland Council, and when combined with the effect of COVID-19 and the resultant significant loss of income will place a significant financial burden on the Centre, and will compromise the ability to reinvest surplus funds into the fabric of the building and its fixtures and fittings. This will, potentially, result in a deterioration of the facility, and the charity's ability to meet the community needs of Nairn and its environs.

FINANCIAL REVIEW

This was the fourteenth full year of operations in the new Community Centre and the directors are greatly indebted to the Nairn Community and other funding bodies for their continued financial support. Our thanks also go to individuals, members and supporters for their unstinting support since the facility first opened in October 2007.

After the last two years impacted by COVID-19 and the consequential closure of the Centre, income streams have started to recover in 2021/22. Investment, transport, donations and trading activity income streams for the year totalled £163,949 2020/21. compared with £24,100 in 2021/21. The income received in the current reported year is up by £100,520 on that of 2020/21. This is encouraging given the ongoing challenges of recovering from the COVID-19 pandemic. The Centre received two major grants in 2021/22 totalling £49,500. In May 2021 the charity received a grant of £30,000 from the Adapt and Thrive Programme, which is part of the Scottish Government Recovery funding programme. The grant is designed to support organisations across the third sector to adapt to the challenges presented by COVID-19 and "build back better" to thrive in the future. In April 2021 the charity received £19,500 from Highland Council as part of the Scottish Government's Strategic Framework programme to assist businesses with the ongoing impact of COVID-19. As part of the UK Government's response to COVID-19 the Centre was in receipt of a further £4,650 (2021 - £57,556) furlough payments under the HMRC Job Retention Scheme.

The directors consider that the company has adequate resources to continue its operational existence for the foreseeable future. In coming to this conclusion, the directors have paid particular attention to the period of one year from the date of approval of the financial statements.

NAIRN COMMUNITY & ARTS CENTRE**DIRECTORS' REPORT (Continued)**

Expenditure for the year totalled £283,092, up on the previous year by £56,877, which was expected given the lifting of restrictions coming out of the pandemic. This compares to expenditure costs of £282,716 incurred in 2019/20. Major spending lines were in respect of salary costs, utility costs, repairs & maintenance, entertainment, catering costs and depreciation. The margins on functions/entertainment and catering sales/costs are very encouraging at 25% and 28% respectively. Included in repairs and maintenance are costs totalling £6,920 in respect of replacement of hall actuator units, radiators, heat pump, updating broadband cabling, and roof repairs. A designated fund has been established to meet major repairs, renewals and maintenance which had a brought forward balance of £32,982. Expenditure totalling £6,920 was charged to the fund. Overall the charity incurred a surplus of £51,665 (2021 - 8,022).

Late 2019, one of the Directors, Robert Ferenth, embarked on a quest to look at ways of reducing the Centre's spend on energy to help close the annual deficit circa £40,000, after excluding depreciation of restricted funded assets. Zero Waste Scotland were engaged to carry out a survey of the building and its energy usage. From the report a "Climate Programme" was developed to address various areas that would provide the biggest return on investment and realise both ongoing cost and carbon reductions. The programme consisted of installation of an electric vehicle charging point; upgrading both internal and external building lighting, including the Mid-Scale Arts Venue, to LED technology; installation of Solar PV (Photovoltaic) and battery storage to create the ability to generate green electricity; and upgrade the heating system to a modern and more efficient technology. The programme of works was completed in April/May 2021. The bulk of the expenditure was funded by way of capital grants with the remaining grants drawn down early in the financial year. The Board are indebted to the following for their support in this "greening" project of the Community and Arts Centre:

CARES Local Energy Scotland; Energy Savings Trust; Keep Scotland Beautiful; EB Scotland; Lottery Community Fund; Robertson Trust; and Highland Council.

As a result of the energy investment, heating and lighting costs have reduced from £22,566 in 2019/20 to £13,670 in 2021/22. However the spiralling global energy increases in 2022 onwards will see the reduction negated and will lead to significant increases in heating and lighting costs in the future. The charity has just signed a new two year contract for gas commencing December 2022 and the unit rate has increased by 123%. The contract for electricity has been fixed until April 2024.

The Board also are appreciative of a capital grant from the Davidson Trust for new windows, an outside storage shed, alterations to office configuration within the building allowing for further rentable office space, and furniture and fittings. As part of COVID-19 assistance the Highland Third Sector Interface funded a new digital camera and laptop.

Reserves Policy

The Board were keen to generate sufficient annual income to cover costs including the annual depreciation charges, however with the cut in grant funding, and the impact of COVID-19 the aim is now to generate sufficient revenue to cover costs excluding the restricted funds annual depreciation charge of £53,864. The Board's original intention was by the end of its 25 year lease to be self-sufficient and the state of the building to be "as new" by the end of the lease. The cut in grant funding and the impact of COVID-19 will seriously place doubt in the Board achieving its original aim.

The principal funding sources for the charity are currently by way of income from activities for generating funds through hires and functions, rental income and bank interest received.

The major expenses are staff salaries, property and support costs.

The Unrestricted Reserve Fund represents funds arising from past operating results. It also represents the available reserves of the charity. The Directors are satisfied that the balance of Unrestricted Reserve Funds of £109,192 (2021 - £118,821) which includes general Unrestricted Funds of £83,130 (2021 - £85,839), and Designated Funds of £26,062 (2021 - £32,982), approximates to 6 months operating expenditure, excluding depreciation, to allow the continued operations of the charity for the immediate future and be able to fulfil its outstanding contract obligations. The Directors have examined the requirement to maintain free reserves and concluded that they are at the most appropriate level, but given the coronavirus pandemic and the unknown impact this will have on the financial resources of the charity this may well be called into question regarding the viability of the charity in the long term.

Designated Funds are held for the purpose of meeting major repair, renewals and maintenance to ensure the fabric of the building is maintained to a high standard.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donors. Total Restricted Funds at the reporting date amount to £507,539 (2021 - £446,245).

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Signed on behalf of the board of directors on 7 December 2022

James A M Clark
Director

**Independent Examiner's Report to the Trustees of Nairn
Community & Arts Centre**

I report to the charity trustees on my examination of the financial statements of the charity for the year ended 31 March 2022, which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees 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 financial statements 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 statement

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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the 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 financial statements.

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 financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met; or

- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Use of our report

This report is made to the company'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 company's financial statements on behalf of the company'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 company and the company's board of directors as a body, for my work or for this report.

Jamie Waugh FCA

Johnston Carmichael LLP
Clava House
Cradlehall Business Park
Inverness
IV2 5GH

NAIRN COMMUNITY & ARTS CENTRE**STATEMENT OF FINANCIAL ACTIVITIES****(INCLUDING INCOME AND EXPENDITURE ACCOUNT)****FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted Funds £	Designated Funds £	Unrestricted Funds £	2022 Total £	2021 Total £
INCOME FROM:						
Donations and legacies	3	-	-	4,763	4,763	57,866
Charitable activities	4	115,158	-	66,000	181,158	157,681
Other trading activities	5	-	-	132,630	132,630	13,629
Investments	6	-	-	16,206	16,206	5,061
TOTAL INCOME		115,158	-	219,599	334,757	234,237
EXPENDITURE ON:						
Raising funds	7	-	-	(53,394)	(53,394)	(18,696)
Charitable activities	8 & 9	(53,864)	(6,920)	(168,914)	(229,698)	(207,519)
TOTAL EXPENDITURE		(53,864)	(6,920)	(222,308)	(283,092)	(226,215)
Net income/(expenditure) for the year		61,294	(6,920)	(2,709)	51,665	8,022
NET MOVEMENT IN FUNDS		61,294 -	6,920 -	2,709	51,665	8,022
RECONCILIATION OF FUNDS						
TOTAL FUNDS AT 1 APRIL 2021		446,245	32,982	85,839	565,066	557,044
TOTAL FUNDS AT 31 MARCH 2022	19	507,539	26,062	83,130	616,731	565,066

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

NAIRN COMMUNITY & ARTS CENTRE

BALANCE SHEET

AS AT 31 MARCH 2022

	<u>Note</u>	<u>2022</u> £	<u>2021</u> £
<u>FIXED ASSETS</u>			
Tangible Assets	12	<u>563,778</u>	<u>494,968</u>
<u>CURRENT ASSETS</u>			
Debtors	13	17,590	11,071
Cash at Bank and in Hand		<u>55,800</u>	<u>88,408</u>
<u>TOTAL CURRENT ASSETS</u>		<u>73,390</u>	<u>99,479</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	14	(7,162)	(29,381)
<u>NET CURRENT ASSETS</u>		<u>66,228</u>	<u>70,098</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		630,006	565,066
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	15	(13,275)	-
<u>NET ASSETS</u>	19	<u>616,731</u>	<u>565,066</u>
<u>FUNDS OF THE CHARITY</u>			
Unrestricted Funds	16	83,130	85,839
Designated Funds	17	26,062	32,982
Restricted Funds	18	507,539	446,245
<u>TOTAL FUNDS</u>	19	<u>616,731</u>	<u>565,066</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 relating to small companies, for the year ended 31 March 2022.

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 Companies Act 2006 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.

The financial statements were approved by the board on 7 December 2022

Michael J Mitchell
Director

The notes on pages eight to fifteen form part of the financial statements

1. Accounting policies**Company information**

Nairn Community & Arts Centre is a charitable company limited by guarantee incorporated in Scotland. The company is also a charity registered in Scotland with OSCR. The registered office is Nairn Community & Arts Centre, King Street, Nairn, IV12 4BQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), including the provisions of Section 1A relevant to Small Entities, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity is a Public Benefit Entity as defined by FRS 102.

The charity has availed itself of s396 of the Companies Act 2006, as permitted in paragraph 4 (1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the date of approving the financial statements, the directors continue to closely monitor the constantly changing risk of the global COVID-19 pandemic and the impact of new global energy price increases. The potential impact will depend on the length of the UK outbreak and the Government support on the gas and electricity prices. Whilst ongoing activity relies on certain factors that remain uncertain, the directors are satisfied that the company has access to sufficient working capital to allow it to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly the financial statements are prepared on a going concern basis.

1.3 Charitable funds

The funds of the charity consist of the following:

Unrestricted funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or funds which were raised for particular purposes. The aim of each restricted fund is set out in note 19.

Designated funds

Designated funds have been set aside out of unrestricted funds by the directors for particular purposes.

1.4 Income

All income is included in the statement of financial activities when the charity is entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Unless incapable of financial measurement, legacies are credited as income in the year in which they are receivable. The Trustees have determined that they do not regard a legacy as receivable until probate has been granted in respect of the legatee's estate.
- Income from other trading activities is recognised at the point of delivery of the goods and services.
- The value of services provided by volunteers has not been included in these financial statements.
- Interest and rental income received is included when receivable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year ended 31 March 2022**Accounting policies** (continued)**1.5 Expenditure**

Expenditure is recognised on an accrual basis and is recognised when there is a legal or constructive obligation to pay, when it is probable that a transfer of economic benefits will arise and when the amount can be measured reliably.

Staff costs includes all salaries and contributions to a pension scheme.

Property costs comprise all costs related to the running of the building.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include training expenditure and costs linked to the strategic management of the charity.

Support costs include all administration costs.

All costs have been directly attributed to one of the functional categories of expenditure in the Statement of Financial Activities. The charity is not VAT registered and accordingly expenditure is shown to include irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold property	4% straight line derived from length of 25 year lease term
Leasehold property improvements	10% straight line derived from remainder of lease term
Mid scale arts venue	4% straight line derived from length of 25 year lease term
Mid scale arts venue improvements	10% straight line derived from remainder of lease term
Furniture and fittings	10% straight line

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest method. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

NAIRN COMMUNITY & ARTS CENTRE**NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the Year ended 31 March 2022****Accounting policies** (continued)**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense in the period in which the employee's services are received.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

1.12 Taxation

As a charity registered with HMRC, Nairn Community & Arts Centre is exempt from Corporation Tax on its charitable activities.

1.13 Leasing

Rentals payable under operating leases are charged against expenditure on a straight line basis over the lease term.

2 Critical accounting estimates and judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Depreciation - useful life and residual value of tangible fixed assets

The depreciation of tangible fixed assets is a key area of estimation. The useful life and residual value of fixed assets is considered and a depreciation rate applied accordingly. Details of the depreciation policies applied can be found in the accounting policies section of the notes to the financial statements.

The depreciation charge for the year amounts to £58,902 and the carrying value of fixed assets at the year end amounts to £563,778.

3 Donations and legacies

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Community Donations	-	113	113	310
Furlough Payments	-	4,650	4,650	57,556
	-	4,763	4,763	57,866

Income received from donations & legacies in the previous year was unrestricted.

4 Charitable activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Government Grants				
Highland Council	-	19,500	19,500	21,200
Other Grants				
Creative Scotland				89,000
Keep Scotland Beautiful	13,218	-	13,218	19,827
Energy Savings Trust	7,309	-	7,309	10,584
Lottery Community Fund	-	-	-	7,500
Highland Third Sector Interface	-	-	-	4,470
Adapt and Thrive	-	30,000	30,000	-
Arnold Clark Community Fund	-	1,000	1,000	-
Just Giving	-	500	500	-
EB Scotland	24,000	-	24,000	-
CARES Local Energy Scotland	39,131	-	39,131	-
Davidson Trust	28,000	-	28,000	-
Robertson Trust	3,500	-	3,500	-
Operating Support				-
Nairn Community Transport	-	15,000	15,000	5,100
	115,158	66,000	181,158	157,681

Income received on charitable activities in the previous year totalled £157,681. £45,081 were attributable to restricted funds and £112,600 were attributable to unrestricted funds.

NAIRN COMMUNITY & ARTS CENTRE**NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the Year ended 31 March 2022****5 Other trading activities**

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from hires, catering etc.	-	132,630	132,630	13,629
	<u>-</u>	<u>132,630</u>	<u>132,630</u>	<u>13,629</u>

Income received from other trading activities in the previous year was unrestricted.

6 Investments

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Bank Interest Received	-	21	21	170
Rental Income	-	16,185	16,185	4,891
	<u>-</u>	<u>16,206</u>	<u>16,206</u>	<u>5,061</u>

Income received from investments in the previous year was unrestricted.

7 Raising funds

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Lease of Equipment	-	890	890	687
Catering Costs	-	7,029	7,029	-
Function Licences	-	130	130	-
Function Entertainment	-	45,001	45,001	18,009
Bad Debts	-	344	344	-
	<u>-</u>	<u>53,394</u>	<u>53,394</u>	<u>18,696</u>

Expenditure on raising funds in the previous year was unrestricted.

8 Charitable activities

	Restricted £	Designated £	Unrestricted £	2022 Total £	2021 Total £
Staff Costs (see note 11)	-	-	114,899	114,899	114,088
Heating and Lighting	-	-	13,670	13,670	19,703
Water Rates	-	-	3,116	3,116	(626)
Cleaning Materials	-	-	2,949	2,949	1,428
Refuse Collection Charges	-	-	1,039	1,039	385
Repairs and Maintenance	-	6,920	7,160	14,080	13,086
Small Purchases and Accessories	-	-	708	708	133
Depreciation	53,864	-	5,038	58,902	42,282
	<u>53,864</u>	<u>6,920</u>	<u>148,579</u>	<u>209,363</u>	<u>190,479</u>
Share of support costs	-	-	20,335	20,335	17,040
	<u>53,864</u>	<u>6,920</u>	<u>168,914</u>	<u>229,698</u>	<u>207,519</u>

Expenditure on charitable activities in the previous year totalled £190,479. £38,539 were attributable to restricted funds, £5,936 were attributable to designated funds and £146,004 were attributable to unrestricted funds.

Included in repairs and maintenance are costs totalling £6,920 in respect of replacement of hall actuator units, radiators, heat pump, updating broadband cabling, and roof repairs (2021 - £5,936 in respect of replacement of water pump and cold water tank).

9 Support costs

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Administration Costs	-	18,085	18,085	13,666
Governance Costs	-	2,250	2,250	3,374
	<u>-</u>	<u>20,335</u>	<u>20,335</u>	<u>17,040</u>

Administration costs greater than £1,000 include: insurance of £6,807 (2021 - £6,483), staff training of £1,916 (2021 - £1,106), postage and stationery of £1,028 (2021 - £409), telephone of £2,387 (2021 - £2,127), and licences of £3,113 (2021 - £2,388).

Governance costs included accountancy fees of £2,250 (2021 - £2,220) and professional fees of £nil (2021 - £1,154). Accountancy fees represent the independent examiner's fee. There were no other services provided by the independent examiners.

NAIRN COMMUNITY & ARTS CENTRE**NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the Year ended 31 March 2022****10 Trustees**

None of the trustees (or any persons connected with them) received any remuneration, reimbursed expenses or expenses incurred on their behalf during the current or prior year.

11 Employees

	Restricted	Unrestricted	2022	2021
	£	£	Total	Total
			£	£
Salaries	-	107,324	107,324	107,355
Social Security Costs	-	4,403	4,403	3,654
Staff Pension Scheme	-	3,172	3,172	3,079
	<u>-</u>	<u>114,899</u>	<u>114,899</u>	<u>114,088</u>

The average numbers of paid staff for the period were:

Centre Manager	1	1
Centre Assistants	5	5
	<u>6</u>	<u>6</u>

There were no employees whose annual remuneration was £60,000 or more.

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £3,172 (2021 - £3,079).

Pension contributions outstanding at the year end amounted to £nil (2021 - £532).

12 Tangible fixed assets

Cost	Leasehold	Mid Scale	Furniture	Total
	Property	Arts Venue	& Fittings	
	£	£	£	£
At 1 April 2021	684,241	282,315	136,455	1,103,011
Additions	80,119	4,294	43,299	127,712
Disposals	-	-	-	-
At 31 March 2022	<u>764,360</u>	<u>286,609</u>	<u>179,754</u>	<u>1,230,723</u>

Accumulated Depreciation

At 1 April 2021	357,480	143,154	107,409	608,043
Charge for Period	36,718	12,754	9,430	58,902
Disposals	-	-	-	-
At 31 March 2022	<u>394,198</u>	<u>155,908</u>	<u>116,839</u>	<u>666,945</u>

Net Book Value

At 31 March 2022	<u>370,162</u>	<u>130,701</u>	<u>62,915</u>	<u>563,778</u>
At 31 March 2021	<u>326,761</u>	<u>139,161</u>	<u>29,046</u>	<u>494,968</u>

Most of the tangible fixed assets have been financed by Restricted funds of £507,539 (note 18 - "Restricted funds") as detailed at

All tangible fixed assets are used for or to support charitable purposes. There were no capital commitments contracted for as at 31 March 2022 (2021 - £99,763). Capital grants totalling £115,158 were received in this financial year to meet the charity's contractual commitments outstanding at 31 March 2021.

13 Debtors

Amounts falling due within one year:	2022	2021
	£	£
Trade Debtors	13,966	8,720
Other Debtors	3,624	2,351
	<u>17,590</u>	<u>11,071</u>

NAIRN COMMUNITY & ARTS CENTRE**NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the Year ended 31 March 2022**

14	<u>Creditors: amounts falling due within one year</u>		
		2022	2021
		£	£
	Energy Savings Trust Loan	2,124	-
	Trade Creditors	410	21,816
	Other Creditors	4,628	7,565
		<u>7,162</u>	<u>29,381</u>
15	<u>Creditors: amounts falling due after more than one year</u>		
		2022	2021
		£	£
	Energy Savings Trust Loan	<u>13,275</u>	<u>-</u>
	<u>Amounts Repayable:</u>		
	Within 2 to 5 years	8,496	-
	After 5 years	4,779	-
		<u>13,275</u>	<u>-</u>
16	<u>Unrestricted funds</u>		
		2022	
		£	
	Fund at 1 April 2021	85,839	
	Income	219,599	
	Expenditure	(222,308)	
	Fund at 31 March 2022	<u>83,130</u>	
	Comparative	2021	
		£	
	Fund at 1 April 2020	78,423	
	Income	189,156	
	Expenditure	(181,740)	
	Fund at 31 March 2021	<u>85,839</u>	
17	<u>Designated funds</u>		
		2022	
		£	
	Fund at 1 April 2021	32,982	
	Income	-	
	Expenditure	(6,920)	
	Fund at 31 March 2022	<u>26,062</u>	
	The designated fund has been established to meet major repairs, renewals and maintenance which will be required to ensure the fabric of the building is maintained to a high standard.		
	Comparative	2021	
		£	
	Fund at 1 April 2020	38,918	
	Income	-	
	Expenditure	(5,936)	
	Fund at 31 March 2021	<u>32,982</u>	
	The designated fund has been established to meet major repairs, renewals and maintenance which will be required to ensure the fabric of the building is maintained to a high standard.		

NAIRN COMMUNITY & ARTS CENTRE**NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the Year ended 31 March 2022****18 Restricted funds**

	Balance at 1 April	Income	Expenditure	Transfers	Balance at 31 March
	£	£	£	£	£
Community Centre	446,245	-	(42,348)	-	403,897
EB Scotland	-	24,000	(2,400)	-	21,600
Keep Scotland Beautiful	-	13,218	(1,322)	-	11,896
CARES Local Energy Scotland	-	39,131	(3,913)	-	35,218
Davidson Trust	-	28,000	(2,800)	-	25,200
Energy Savings Trust	-	7,309	(731)	-	6,578
Robertson Trust	-	3,500	(350)	-	3,150
Total	446,245	115,158	(53,864)	-	507,539

Expenditure represents depreciation on capital spend.

The restricted fund relates to the company's Community Centre development comprising the leasehold property and mid scale arts venue. The fund also includes grants received in respect of capital improvements incurred in 2021 and 2022 as shown above. The capital improvements consist of upgrading both internal and external building lighting, including the mid scale arts venue to LED technology; installation of Solar PV (Photovoltaic) and battery storage to create the ability to generate green electricity; upgrade the heating system to a modern and more efficient technology; and certain items of furniture and fittings (note 11).

Comparative

	2021 £
Fund at 1 April 2020	439,703
Income	45,081
Expenditure	(38,539)
Fund at 31 March 2021	446,245

The restricted fund relates to the company's Community Centre development comprising the leasehold property, mid scale arts venue, and certain items of furniture and fittings (note 12).

19 Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	Designated Funds	Total Funds
	£	£	£	£
Fixed Assets	507,539	56,239	-	563,778
Current Assets	-	47,328	26,062	73,390
Current Liabilities	-	(7,162)	-	(7,162)
Long Term Liabilities	-	(13,275)	-	(13,275)
Total	507,539	83,130	26,062	616,731

Comparative

	Restricted Funds	Unrestricted Funds	Designated Funds	Total Funds
	£	£	£	£
Fixed Assets	446,245	48,723	-	494,968
Current Assets	-	66,497	32,982	99,479
Current Liabilities	-	(29,381)	-	(29,381)
Total	446,245	85,839	32,982	565,066

20 Financial Commitments

At 31 March 2022 the charity was committed to making the following payments under non-cancellable operating leases:

	2022 £	2021 £
Within one year	760	508
Between two and five years	2,850	-
Total	3,610	508

Total lease payments recognised as an expense amount to £760 (2021 - £508).

NOTES TO THE FINANCIAL STATEMENTS (Continued)**For the Year ended 31 March 2022****21 Members' liability**

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a member or within one year after he ceases to be a member for payment of the Company's debts and liabilities contracted before he ceases to be a member and of the cost, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

22 Control

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

23 Related party transactions

Total employee benefits paid by the charity in relation to key management personnel constituted:

	2022	2021
	£	£
Centre Manager	<u>32,531</u>	<u>31,312</u>

Total employee benefits disclosed include gross pay, employers national insurance contributions and employers pension contributions.

There are no other related party transactions to be disclosed.

24 Contingent liabilities

Certain grants received by the company are repayable should the company breach major underlying terms and conditions imposed by the relevant grant giving body.

25 Events after the reporting date

As highlighted in note 1.2, the emergence of the COVID-19 pandemic and the volatility of global energy prices have introduced new risks and uncertainties to the charity. However those risks continue to be carefully monitored and action taken wherever possible to mitigate their effect on the charity.

The charity submitted a grant application to Creative Scotland in March 2022 under the Recovery Fund for Cultural Organisation. The fund is to enable cultural organisations, working primarily for public benefit, to rebuild and create opportunities to increase their financial resilience after the COVID-19 pandemic. The application was successful and was awarded a total of £32,325. The first tranche £16,163 of grant was received on 11 April 2022 with the final tranche £16,162 received on 23 June 2022.

NAIRN COMMUNITY & ARTS CENTRE

THE FOLLOWING PAGE IS FOR THE USE OF MANAGEMENT ONLY

NAIRN COMMUNITY & ARTS CENTRE**For the Year ended 31 March 2022**

	Restricted £	Designated £	Unrestricted £	2022 £	2021 £
<u>INCOME</u>					
Grants Received	115,158	-	51,000	166,158	152,581
Community Donations	-	-	113	113	310
Furlough Payments	-	-	4,650	4,650	57,556
Hires	-	-	60,444	60,444	9,436
Functions	-	-	59,608	59,608	3,188
Catering Sales	-	-	9,744	9,744	150
Rental Income	-	-	16,185	16,185	4,891
Nairn Community Transport	-	-	15,000	15,000	5,100
Sundry Income	-	-	2,834	2,834	855
Bank Interest Received	-	-	21	21	170
	115,158	-	219,599	334,757	234,237
<u>EXPENDITURE</u>					
Salaries	-	-	111,727	111,727	111,009
Staff Pension Scheme	-	-	3,172	3,172	3,079
Staff Clothing	-	-	-	-	-
Staff Training	-	-	1,916	1,916	106
Heating and Lighting	-	-	13,670	13,670	19,703
Water Rates	-	-	3,116	3,116	(626)
Cleaning Materials	-	-	2,949	2,949	1,428
Refuse Collection Charges	-	-	1,039	1,039	385
Repairs and Maintenance	-	6,920	7,160	14,080	13,086
Small Purchases and Accessories	-	-	708	708	133
Lease of Equipment	-	-	890	890	687
Equipment Hire	-	-	-	-	-
Provisions	-	-	-	-	-
Catering Costs	-	-	7,029	7,029	-
Function Licences	-	-	130	130	-
Entertainment	-	-	45,001	45,001	18,009
Insurance	-	-	6,807	6,807	6,483
Advertising	-	-	716	716	528
Postage and Stationery	-	-	1,028	1,028	409
Telephone	-	-	2,387	2,387	2,127
Computer Costs	-	-	612	612	402
Professional Fees	-	-	-	-	1,154
Independent Examination	-	-	2,250	2,250	2,220
Subscriptions	-	-	405	405	480
Licences	-	-	3,113	3,113	2,388
Credit Charges	-	-	951	951	685
Sundry Expenses	-	-	150	150	58
Bad Debts	-	-	344	344	-
Depreciation	53,864	-	5,038	58,902	42,282
	53,864	6,920	222,308	283,092	226,215
SURPLUS / (DEFICIT) FOR YEAR	61,294	(6,920)	(2,709)	51,665	8,022

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(Company Number - SC172235)

(Charity Number - SC026041)

NAIRN COMMUNITY & ARTS CENTRE
(COMPANY LIMITED BY GUARANTEE)

DIRECTORS REPORT

AND

UNAUDITED FINANCIAL STATEMENTS

For the Year Ended 31 March 2023

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**CONTENTS**

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COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**LEGAL AND ADMINISTRATIVE INFORMATION**

DIRECTORS	James A M Clark Michael J Mitchell Gordon C M Forbes Daniel S Farrell Peter D Saggars Robert Ferenth Alastair Forsyth Brian Blackley
REGISTERED CHARITY NUMBER	SC026041
COMPANY SECRETARY	Michael J Mitchell
COMPANY NUMBER	SC172235
REGISTERED OFFICE	Nairn Community Centre King Street Nairn IV12 4BQ
INDEPENDENT EXAMINER	Kevin Leitch MA FCCA ATT Leitch Accountancy Services Limited 3 Beech Avenue Inverness IV2 4NN

DIRECTORS' REPORT

The directors present their annual report and unaudited financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), including the provisions of Section 1A relevant to small entities, and Accounting and Reporting by Charities: 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors who held office during the period from 1 April 2022 to the date the financial statements were approved were as follows:

James A M Clark	
Michael J Mitchell	
Gordon C M Forbes	
Daniel S Farrell	
Peter D Siggers	
Angela McOwan	(Resigned 10 May 2022)
Robert Ferenth	
Alastair Forsyth	(Appointed 27 October 2022)
Brian Blackley	(Appointed 27 October 2022)

The organisation is a charitable company limited by guarantee, incorporated in Scotland on 12 February 1997. The company was registered as a charity in March 1997. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Articles of Association were amended and lodged with Companies House in January 2023. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Nairn Community & Arts Centre is governed by its Board of Directors. The Board sets out the policies and objectives of the company. Members take part in the policy-making activities by discussing and passing resolutions at the Annual General Meeting.

Daily operational affairs and staffing are delegated to the Centre Manager, who in turn reports to the Chairman.

The Centre Manager, Sam Morrison, retired on 31 March 2023 and the Board would like to put on public record their gratitude for all her hard and diligent work from the opening of the Centre in 2007. We wish her well in her retirement.

In accordance with OSCR recommendations the charity is aware of the requirement to formally train new directors in preparation for their roles as charity trustees.

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate our exposure to the major risks. The directors continue to monitor the risks and uncertainties arising from the volatility of global energy prices, ensuring the charity implements appropriate policies and procedures as appropriate.

Just Enterprise, an organisation supported by the Scottish Government, committed to the growth and sustainability of Scotland's third sector, were engaged to discuss the future of the charity and succession planning. Issues that were considered in particular:

- ~ a review of the charity's governing documents to ensure they are fit for purpose;
- ~ the directors may wish to consider including fixed tenure for trustees and office bearers;
- ~ an assessment of the current skills on the Board and consideration of any skills gap;
- ~ a review of roles and responsibilities of the individual directors;
- ~ succession planning, especially for the position of office bearers, and gender balance of the Board; and
- ~ succession planning for staff retirements.

The original aim of the charity was to achieve complete financial independence within 25 years but with the cut in funding from Highland Council the strategic aim now is to generate sufficient income to cover costs excluding annual depreciation charge. How to achieve this aim and knowing that the building is the charity's greatest asset is likely to require the testing of new ideas, creative thinking and the recruitment of fresh talent.

RECRUITMENT AND APPOINTMENT OF DIRECTORS

Under the company's Articles of Association the directors are not required to retire by rotation. However, each year, at the company's Annual General Meeting, the directors confirm that they will continue in office for the ensuing year. In light of the review undertaken by Just Enterprise, the Board are now actively looking to recruit new directors with particular expertise to enhance the current Board and with a view to succession planning. Two new directors were appointed in October 2022.

The directors consider the composition of the Board on a regular basis. As part of this the directors assess the current skills of the Board as well as the roles and responsibilities of individual directors. Potential new directors are considered for appointment based on the relevant skills and experience that they can offer.

OBJECTIVES AND ACTIVITIES

The objectives of the charitable company as set out in its memorandum and articles of association are as follows:

- To promote the benefit of the inhabitants of Nairn District, without distinction of sex or of political, religious or other opinions by associating the Local Authorities, voluntary organisations, other bodies of whatever status and inhabitants in a common effort to advance education and to provide, or assist in the provision of, facilities in the interests of social welfare for recreation or other leisure-time occupation with the object of improving the conditions of life of the said inhabitants; and
- To establish or secure the establishment of Nairn Community Centre and to maintain and manage the Centre for activities promoted by the company in furtherance of the above objects.

The principal activity of the company is to establish or secure the establishment of Nairn Community Centre and to maintain and manage the Centre for activities promoted by the company.

ACHIEVEMENTS AND PERFORMANCE

The year ended 31 March 2023 saw the charity's fifteenth full year in the new Community Centre. The facility is now fully operational after the coronavirus (COVID-19) pandemic. However it is still in recovery mode. The scale of charges, which were in line with the previous facility and policy, were last reviewed at the March 2022 Board meeting, and with the Board's approval, were increased slightly from 1 July 2022. This reaffirms the Board's commitment to make the Community Centre affordable to the many local community groups. A review of office rental income is underway to ensure that charges are comparable to other commercial entities.

The administration of Nairn Community Transport is provided by Nairn Community & Arts Centre. After successful discussions with a view to achieve a more realistic cost recovery for the service provided the fee was increased to £15,000 in 2021/22.

PLANS FOR FUTURE PERIODS

The directors will continue to attract new user groups, functions and work with the Nairn Community to ensure the facility is utilised to its full potential. It is now even more important that the Board continues to look to ways to grow the business and to recruit new directors. Following this, to consider business planning to provide a strategic vision and specific aims for the charity over the next three years. The Board has lodged a Community Asset Transfer application with Highland Council of taking ownership of the Centre building under Community Empowerment legislation and the Board aims to complete the process in 2024. 2022 saw the completion of the environmental enhancements and improvements to the Centre building. After sixteen years of operation the building requires further capital investment to maintain and sustain the facility long into the future. The charity has been successful in securing grant funding from Highland Council as part of their Community Regeneration Programme for £12,179 revenue funding. The project consists of scoping out costings for the improvement, enhancement and updating of the building infrastructure. The project has been costed to allow the compilation of the costs involved in the improvements. Once known, this will allow grant funding applications to be submitted to various funding bodies. The Board will continue to look to identifying new funding streams.

Nairn Community & Arts Centre was one of three organisations selected for case studies by Creative Scotland and a consultant, Steve Brown, Director, Collaborative Consulting Ltd. was appointed to assist and review the organisations. This was just before COVID-19. The review is now underway and the charity is in dialogue with Creative Scotland with a view to secure ongoing revenue grant funding in the short term to allow the facility to fully recover from the COVID-19 pandemic.

FUTURE GRANT FUNDING

Due to Highland Council budget cuts in recent years, the Centre no longer receives financial support from Highland Council and is now self-sufficient, generating all of their funding from its own endeavours. The loss of financial support from Highland Council, and when combined with the effect of COVID-19 and the resultant significant loss of income will place a significant financial burden on the Centre, and will compromise the ability to reinvest surplus funds into the fabric of the building and its fixtures and fittings. This will, potentially, result in a deterioration of the facility, and the charity's ability to meet the community needs of Nairn and its environs.

FINANCIAL REVIEW

This was the fifteenth full year of operations in the new Community Centre and the directors are greatly indebted to the Nairn Community and other funding bodies for their continued financial support. Our thanks also go to individuals, members and supporters for their unstinting support since the facility first opened in October 2007.

After the last three years impacted by COVID-19 and the consequential closure of the Centre, income streams have continued to recover in 2022/23. Investment, transport, donations and trading activity income streams for the year totalled £212,117 compared with £163,949 in 2021/22. The income received in the current reported year is up by £48,168 on that of 2021/22. This is encouraging given the ongoing challenges of recovering from the COVID-19 pandemic. Grant funding of £32,325 was received in the year from Creative Scotland under the Recovery Fund for Cultural Organisation. The fund is to enable cultural organisations, working primarily for public benefit, to rebuild and create opportunities to increase their financial resilience after the COVID-19 pandemic.

The directors consider that the company has adequate resources to continue its operational existence for the foreseeable future. In coming to this conclusion, the directors have paid particular attention to the period of one year from the date of approval of the financial statements.

DIRECTORS' REPORT (Continued)

Expenditure for the year totalled £335,841, up on the previous year by £52,749, which was expected given the lifting of restrictions coming out of the pandemic and the consequential recovery period. This compares to expenditure costs of £283,092 incurred in 2021/22. Major spending lines were in respect of salary costs, utility costs, repairs & maintenance, entertainment, catering costs and depreciation. The margins on functions/entertainment and catering sales/costs continue to be encouraging at 22%, however this was a slight drop compared to the previous year of 25%. Due to the high energy costs, heating and lighting expenditure increased to £25,227. This would have been significantly higher had it not been for the capital investment highlighted below.

Late 2019, one of the Directors, Robert Ferenth, embarked on a quest to look at ways of reducing the Centre's spend on energy to help close the annual deficit circa £40,000, after excluding depreciation of restricted funded assets. Zero Waste Scotland were engaged to carry out a survey of the building and its energy usage. From the report a "Climate Programme" was developed to address various areas that would provide the biggest return on investment and realise both ongoing cost and carbon reductions. The programme consisted of installation of an electric vehicle charging point; upgrading both internal and external building lighting, including the Mid-Scale Arts Venue, to LED technology; installation of Solar PV (Photovoltaic) and battery storage to create the ability to generate green electricity; and upgrade the heating system to a modern and more efficient technology. The programme of works was completed in April/May 2021. The bulk of the expenditure was funded by way of capital grants with the remaining grants drawn down early in the 2022 financial year. The Board are indebted to the following for their support in this "greening" project of the Community and Arts Centre:

CARES Local Energy Scotland; Energy Savings Trust; Keep Scotland Beautiful; EB Scotland; Lottery Community Fund; Robertson Trust; and Highland Council.

As a result of the energy investment, heating and lighting costs reduced from £22,566 in 2019/20 to £13,670 in 2021/22. However the spiralling global energy increases in 2022 and early 2023 saw the reduction negated. Energy prices have fallen recently, however the charity signed a new two year contract for gas which commenced in December 2022 with the unit rate increasing by 123%. The Board are looking into renegotiating a lower price, however this is wholly dependent on the energy supplier agreement. The contract for electricity has been fixed until April 2024.

RESERVES POLICY

The Board were keen to generate sufficient annual income to cover costs including the annual depreciation charges, however with the cut in grant funding, and the impact of COVID-19 the aim is now to generate sufficient revenue to cover costs excluding the restricted funds annual depreciation charge of £53,864. The Board's original intention was by the end of its 25 year lease to be self-sufficient and the state of the building to be "as new" by the end of the lease. The cut in grant funding and the impact of COVID-19 will seriously place doubt in the Board achieving its original aim.

The principal funding sources for the charity are currently by way of income from activities for generating funds through hires and functions, rental income and bank interest received.

The major expenses are staff salaries, property and support costs.

The Unrestricted Reserve Fund represents funds arising from past operating results. It also represents the available reserves of the charity. The Directors are satisfied that the balance of Unrestricted Reserve Funds of £72,657 (2022 - £109,192) which includes general Unrestricted Funds of £71,595 (2022 - £83,130), and Designated Funds of £1,062 (2022 - £26,062), approximates to 4 months operating expenditure, excluding depreciation, to allow the continued operations of the charity for the immediate future and be able to fulfil its outstanding contract obligations. The Directors have examined the requirement to maintain free reserves and concluded that they are at the most appropriate level, but given the coronavirus pandemic and the unknown impact this will have on the financial resources of the charity this may well be called into question regarding the viability of the charity in the long term.

Designated Funds are held for the purpose of meeting major repair, renewals and maintenance to ensure the fabric of the building is maintained to a high standard.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donors. Total Restricted Funds at the reporting date amount to £453,675 (2022 - £507,539).

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Signed on behalf of the board of directors on 28 November 2023

James A M Clark
Director

**Independent Examiner's Report to the Trustees of Nairn
Community & Arts Centre**

I report to the charity trustees on my examination of the financial statements of the charity for the year ended 31 March 2023, which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees 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 financial statements 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 statement

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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the 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 financial statements.

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 financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met; or

(b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Use of our report

This report is made to the company'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 company's financial statements on behalf of the company'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 company and the company's board of directors as a body, for my work or for this report.

Kevin Leitch MA FCCA ATT

Leitch Accountancy Services Limited
3 Beech Avenue
Inverness
IV2 4NN

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NAIRN COMMUNITY & ARTS CENTRE

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2023

<u>Note</u>	<u>Restricted Funds</u> £	<u>Designated Funds</u> £	<u>Unrestricted Funds</u> £	<u>2023 Total</u> £	<u>2022 Total</u> £
<u>INCOME FROM:</u>					
Donations and legacies	3	-	-	505	4,763
Charitable activities	4	-	-	48,825	181,158
Other trading activities	5	-	-	164,230	132,630
Investments	6	-	-	31,882	16,206
TOTAL INCOME	-	-	245,442	245,442	334,757
<u>EXPENDITURE ON:</u>					
Raising funds	7	-	-	(56,681)	(53,394)
Charitable activities	8 & 9	(53,864)	-	(225,296)	(229,698)
TOTAL EXPENDITURE	(53,864)	-	(281,977)	(335,841)	(283,092)
<u>Net income/(expenditure) for the year</u>	<u>(53,864)</u>	<u>-</u>	<u>(36,535)</u>	<u>(90,399)</u>	<u>51,665</u>
Transfer Between Funds	19	-	(25,000)	25,000	-
NET MOVEMENT IN FUNDS	(53,864)	(25,000)	(11,535)	(90,399)	51,665
<u>RECONCILIATION OF FUNDS</u>					
<u>TOTAL FUNDS AT 1 APRIL 2022</u>	<u>507,539</u>	<u>26,062</u>	<u>83,130</u>	<u>616,731</u>	<u>565,066</u>
<u>TOTAL FUNDS AT 31 MARCH 2023</u>	<u>20</u>	<u>453,675</u>	<u>1,062</u>	<u>71,595</u>	<u>526,332</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

NAIRN COMMUNITY & ARTS CENTRE**BALANCE SHEET****AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<u>FIXED ASSETS</u>			
Tangible Assets	12	<u>505,393</u>	<u>563,778</u>
<u>CURRENT ASSETS</u>			
Debtors	13	26,326	17,590
Cash at Bank and in Hand		<u>26,393</u>	<u>55,800</u>
<u>TOTAL CURRENT ASSETS</u>		<u>52,719</u>	<u>73,390</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
	14	(20,629)	(7,162)
<u>NET CURRENT ASSETS</u>		<u>32,090</u>	<u>66,228</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			
		537,483	630,006
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>			
	15	(11,151)	(13,275)
<u>NET ASSETS</u>	19	<u>526,332</u>	<u>616,731</u>
<u>FUNDS OF THE CHARITY</u>			
Unrestricted Funds	16	71,595	83,130
Designated Funds	17	1,062	26,062
Restricted Funds	18	453,675	507,539
<u>TOTAL FUNDS</u>	20	<u>526,332</u>	<u>616,731</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 relating to small companies, for the year ended 31 March 2023.

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 Companies Act 2006 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.

The financial statements were approved by the board on 28 November 2023

Michael J Mitchell
Director

The notes on pages eight to fifteen form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS**For the Year ended 31 March 2023****1. Accounting policies****Company information**

Nairn Community & Arts Centre is a charitable company limited by guarantee incorporated in Scotland. The company is also a charity registered in Scotland with OSCR. The registered office is Nairn Community & Arts Centre, King Street, Nairn, IV12 4BQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), including the provisions of Section 1A relevant to Small Entities, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity is a Public Benefit Entity as defined by FRS 102.

The charity has availed itself of s396 of the Companies Act 2006, as permitted in paragraph 4 (1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the date of approving the financial statements, the directors continue to closely monitor the impact of new global energy price increases. The potential impact will depend on the Government support on the gas and electricity prices. Whilst ongoing activity relies on certain factors that remain uncertain, the directors are satisfied that the company has access to sufficient working capital to allow it to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly the financial statements are prepared on a going concern basis.

1.3 Charitable funds

The funds of the charity consist of the following:

Unrestricted funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or funds which were raised for particular purposes. The aim of each restricted fund is set out in note 18.

Designated funds

Designated funds have been set aside out of unrestricted funds by the directors for particular purposes.

1.4 Income

All income is included in the statement of financial activities when the charity is entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Unless incapable of financial measurement, legacies are credited as income in the year in which they are receivable. The Trustees have determined that they do not regard a legacy as receivable until probate has been granted in respect of the legatee's estate.
- Income from other trading activities is recognised at the point of delivery of the goods and services.
- The value of services provided by volunteers has not been included in these financial statements.
- Interest and rental income received is included when receivable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

*For the Year ended 31 March 2023***Accounting policies** (continued)**1.5 Expenditure**

Expenditure is recognised on an accrual basis and is recognised when there is a legal or constructive obligation to pay, when it is probable that a transfer of economic benefits will arise and when the amount can be measured reliably.

Staff costs includes all salaries and contributions to a pension scheme.

Property costs comprise all costs related to the running of the building.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include training expenditure and costs linked to the strategic management of the charity.

Support costs include all administration costs.

All costs have been directly attributed to one of the functional categories of expenditure in the Statement of Financial Activities. The charity is not VAT registered and accordingly expenditure is shown to include irrecoverable VAT.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold property	4% straight line derived from length of 25 year lease term
Leasehold property improvements	10% straight line derived from remainder of lease term
Mid scale arts venue	4% straight line derived from length of 25 year lease term
Mid scale arts venue improvements	10% straight line derived from remainder of lease term
Furniture and fittings	10% straight line

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest method. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

NAIRN COMMUNITY & ARTS CENTRE**NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the Year ended 31 March 2023****Accounting policies** (continued)**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense in the period in which the employee's services are received.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

1.12 Taxation

As a charity registered with HMRC, Nairn Community & Arts Centre is exempt from Corporation Tax on its charitable activities.

1.13 Leasing

Rentals payable under operating leases are charged against expenditure on a straight line basis over the lease term.

2 Critical accounting estimates and judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Depreciation - useful life and residual value of tangible fixed assets

The depreciation of tangible fixed assets is a key area of estimation. The useful life and residual value of fixed assets is considered and a depreciation rate applied accordingly. Details of the depreciation policies applied can be found in the accounting policies section of the notes to the financial statements. The depreciation charge for the year amounts to £58,385 and the carrying value of fixed assets at the year end amounts to £505,393.

3 Donations and legacies

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Community Donations	-	505	505	113
Furlough Payments	-	-	-	4,650
	<u>-</u>	<u>505</u>	<u>505</u>	<u>4,763</u>

Income received from donations & legacies in the previous year was unrestricted.

4 Charitable activities

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Government Grants				
Highland Council	-	-	-	19,500
Other Grants				
Creative Scotland	-	32,325	32,325	-
Keep Scotland Beautiful	-	-	-	13,218
Energy Savings Trust	-	-	-	7,309
Lottery Community Fund	-	-	-	-
Highland Third Sector Interface	-	-	-	-
Adapt and Thrive	-	-	-	30,000
Arnold Clark Community Fund	-	1,000	1,000	1,000
Just Giving	-	500	500	500
EB Scotland	-	-	-	24,000
CARES Local Energy Scotland	-	-	-	39,131
Davidson Trust	-	-	-	28,000
Robertson Trust	-	-	-	3,500
Operating Support				
Nairn Community Transport	-	15,000	15,000	15,000
	<u>-</u>	<u>48,825</u>	<u>48,825</u>	<u>181,158</u>

Income received on charitable activities in the previous year totalled £181,158. £115,158 were attributable to restricted funds and £66,000 were attributable to unrestricted funds.

NAIRN COMMUNITY & ARTS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year ended 31 March 2023**5 Other trading activities**

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Income from hires, catering etc.	-	160,450	160,450	132,201
Electric charging point income	-	1,530	1,530	429
In-house MIDAS training income	-	2,250	2,250	-
	-	164,230	164,230	132,630

Income received from other trading activities in the previous year was unrestricted.

6 Investments

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Bank Interest Received	-	-	-	21
Rental Income	-	31,882	31,882	16,185
	-	31,882	31,882	16,206

Income received from investments in the previous year was unrestricted.

7 Raising funds

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Lease of Equipment	-	832	832	890
Catering Costs	-	9,345	9,345	7,029
Function Licences	-	110	110	130
Function Entertainment	-	46,394	46,394	45,001
Bad Debts	-	-	-	344
	-	56,681	56,681	53,394

Expenditure on raising funds in the previous year was unrestricted.

8 Charitable activities

	Restricted £	Designated £	Unrestricted £	2023 Total £	2022 Total £
Staff Costs (see note 11)	-	-	147,232	147,232	114,899
Heating and Lighting	-	-	25,227	25,227	13,670
Water Rates	-	-	4,057	4,057	3,116
Cleaning Materials	-	-	4,796	4,796	2,949
Refuse Collection Charges	-	-	1,615	1,615	1,039
Repairs and Maintenance	-	-	10,692	10,692	14,080
Small Purchases and Accessories	-	-	745	745	708
Depreciation	53,864	-	4,521	58,385	58,902
	53,864	-	198,885	252,749	209,363
Share of support costs	-	-	26,411	26,411	20,335
	53,864	-	225,296	279,160	229,698

Expenditure on charitable activities in the previous year totalled £209,363. £53,864 were attributable to restricted funds, £6,920 were attributable to designated funds and £148,579 were attributable to unrestricted funds.

There were no repairs deemed chargeable to designated funds in 2023. (2022 - £6,920 in respect of replacement of hall actuator units, radiators, heat pump, updating broadband cabling, and roof repairs).

9 Support costs

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Administration Costs	-	24,789	24,789	18,085
Governance Costs	-	1,622	1,622	2,250
	-	26,411	26,411	20,335

Administration costs greater than £1,000 include: insurance of £7,675 (2022 - £6,807), staff training of £1,300 (2022 - £1,916), advertising of £1,635 (2022 - £716), postage and stationery of £2,641 (2022 - £1,028), telephone of £2,526 (2022 - £2,387), licences of £4,386 (2022 - £3,113), credit charges of £1,217 (2022 - £951), and sundry expenses of £1,919 (2022 - £150). Included in sundry expenses is the provision of in-house MIDAS training courses at a cost totalling £1,318.

Governance costs comprised accountancy fees of £1,622 (2022 - £2,250). Accountancy fees represent the independent examiner's fee. There were no other services provided by the independent examiner.

NAIRN COMMUNITY & ARTS CENTRE**NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the Year ended 31 March 2023****10 Trustees**

None of the trustees (or any persons connected with them) received any remuneration, reimbursed expenses or expenses incurred on their behalf during the current or prior year.

11 Employees

	Restricted	Unrestricted	2023	2022
	£	£	Total	Total
			£	£
Salaries	-	136,653	136,653	107,324
Social Security Costs	-	6,552	6,552	4,403
Staff Pension Scheme	-	4,027	4,027	3,172
	-	147,232	147,232	114,899

The average numbers of paid staff for the period were:

Centre Manager	1	1
Centre Assistants	5	5
	6	6

There were no employees whose annual remuneration was £60,000 or more.

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £4,027 (2022 - £3,172).

Pension contributions outstanding at the year end amounted to £nil (2022 - £nil).

12 Tangible fixed assets

	Leasehold	Mid Scale	Furniture	Total
Cost	Property	Arts Venue	& Fittings	£
	£	£	£	
At 1 April 2022	764,360	286,609	179,754	1,230,723
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	764,360	286,609	179,754	1,230,723
Accumulated Depreciation				
At 1 April 2022	394,198	155,908	116,839	666,945
Charge for Period	36,718	12,754	8,913	58,385
Disposals	-	-	-	-
At 31 March 2023	430,916	168,662	125,752	725,330
Net Book Value				
At 31 March 2023	333,444	117,947	54,002	505,393
At 31 March 2022	370,162	130,701	62,915	563,778

Most of the tangible fixed assets have been financed by Restricted funds of £453,675 (note 18 - "Restricted funds") as detailed at note 20.

All tangible fixed assets are used for or to support charitable purposes. There were no capital commitments contracted for as at 31 March 2023 (2022 - £nil).

13 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade Debtors	24,037	13,966
Other Debtors	2,289	3,624
	26,326	17,590

NAIRN COMMUNITY & ARTS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year ended 31 March 2023

14 **Creditors: amounts falling due within one year**

	2023	2022
	£	£
Energy Savings Trust Loan	2,124	2,124
Trade Creditors	1,177	410
Other Creditors	17,328	4,628
	<u>20,629</u>	<u>7,162</u>

15 **Creditors: amounts falling due after more than one year**

	2023	2022
	£	£
Energy Savings Trust Loan	<u>11,151</u>	<u>13,275</u>
<i>Amounts Repayable:</i>		
Within 2 to 5 years	8,496	8,496
After 5 years	2,655	4,779
	<u>11,151</u>	<u>13,275</u>

16 **Unrestricted funds**

	2023
	£
Fund at 1 April 2022	83,130
Income	245,442
Expenditure	(281,977)
Transfer from Designated Funds	25,000
Fund at 31 March 2023	<u>71,595</u>
Comparative	2022
	£
Fund at 1 April 2021	85,839
Income	219,599
Expenditure	(222,308)
Fund at 31 March 2022	<u>83,130</u>

17 **Designated funds**

	2023
	£
Fund at 1 April 2022	26,062
Income	-
Expenditure	-
Transfer to Unrestricted Funds	(25,000)
Fund at 31 March 2023	<u>1,062</u>
Comparative	2022
	£
Fund at 1 April 2021	32,982
Income	-
Expenditure	(6,920)
Fund at 31 March 2022	<u>26,062</u>

The designated fund has been established to meet major repairs, renewals and maintenance which will be required to ensure the fabric of the building is maintained to a high standard.

NAIRN COMMUNITY & ARTS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year ended 31 March 2023

18 Restricted funds

	<u>Balance</u> <u>at 1 April</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Balance</u> <u>at 31 March</u>
	£	£	£	£	£
Community Centre	403,897	-	(42,348)	-	361,549
EB Scotland	21,600	-	(2,400)	-	19,200
Keep Scotland Beautiful	11,896	-	(1,322)	-	10,574
CARES Local Energy Scotland	35,218	-	(3,913)	-	31,305
Davidson Trust	25,200	-	(2,800)	-	22,400
Energy Savings Trust	6,578	-	(731)	-	5,847
Robertson Trust	3,150	-	(350)	-	2,800
Total	507,539	-	(53,864)	-	453,675

Comparative

	<u>Balance</u> <u>at 1 April</u> <u>2021</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>Balance</u> <u>at 31 March</u> <u>2022</u>
	£	£	£	£	£
Community Centre	446,245	-	(42,348)	-	403,897
EB Scotland	-	24,000	(2,400)	-	21,600
Keep Scotland Beautiful	-	13,218	(1,322)	-	11,896
CARES Local Energy Scotland	-	39,131	(3,913)	-	35,218
Davidson Trust	-	28,000	(2,800)	-	25,200
Energy Savings Trust	-	7,309	(731)	-	6,578
Robertson Trust	-	3,500	(350)	-	3,150
Total	446,245	115,158	(53,864)	-	507,539

Expenditure represents depreciation on capital spend.

The restricted fund relates to the company's Community Centre development comprising the leasehold property and mid scale arts venue. The fund also includes grants received in respect of capital improvements incurred in 2021 and 2022 as shown above. The capital improvements consist of upgrading both internal and external building lighting, including the mid scale arts venue to LED technology; installation of Solar PV (Photovoltaic) and battery storage to create the ability to generate green electricity; upgrade the heating system to a modern and more efficient technology; and certain items of furniture and fittings (note 12).

19 Transfers

	<u>Restricted</u> <u>Funds</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Designated</u> <u>Funds</u>	<u>Total</u> <u>Funds</u>
	£	£	£	£
Transfer between funds	-	25,000	(25,000)	-

Funds transferred to unrestricted funds to cover immediate operational expenditure and the impending capital investment to the fabric of the building. On completion of the capital investment the level of designated funds will be reassessed.

20 Analysis of net assets between funds

	<u>Restricted</u> <u>Funds</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Designated</u> <u>Funds</u>	<u>Total</u> <u>Funds</u>
	£	£	£	£
Fixed Assets	453,675	51,718	-	505,393
Current Assets	-	51,657	1,062	52,719
Current Liabilities	-	(20,629)	-	(20,629)
Long Term Liabilities	-	(11,151)	-	(11,151)
Total	453,675	71,595	1,062	526,332

Comparative

	<u>Restricted</u> <u>Funds</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Designated</u> <u>Funds</u>	<u>Total</u> <u>Funds</u>
	£	£	£	£
Fixed Assets	507,539	56,239	-	563,778
Current Assets	-	47,328	26,062	73,390
Current Liabilities	-	(7,162)	-	(7,162)
Long Term Liabilities	-	(13,275)	-	(13,275)
Total	507,539	83,130	26,062	616,731

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the Year ended 31 March 2023**21 Financial Commitments**

At 31 March 2023 the charity was committed to making the following payments under non-cancellable operating leases:

	2022 £	2022 £
Within one year	760	760
Between two and five years	2,090	2,850
	<u>2,850</u>	<u>3,610</u>

Total lease payments recognised as an expense amount to £760 (2022 - £760).

22 Members' liability

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while he is a member or within one year after he ceases to be a member for payment of the Company's debts and liabilities contracted before he ceases to be a member and of the cost, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

23 Control

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

24 Related party transactions

Total employee benefits paid by the charity in relation to key management personnel constituted:

	2023 £	2022 £
Centre Manager	<u>37,590</u>	<u>32,531</u>

Total employee benefits disclosed include gross pay, employers national insurance contributions and employers pension contributions.

There are no other related party transactions to be disclosed.

25 Contingent liabilities

Certain grants received by the company are repayable should the company breach major underlying terms and conditions imposed by the relevant grant giving body.

26 Events after the reporting date

As highlighted in note 1.2, the volatility of global energy prices have introduced new risks and uncertainties to the charity. However those risks continue to be carefully monitored and action taken wherever possible to mitigate their effect on the charity.

The charity is in dialogue with Creative Scotland with a view to secure ongoing revenue grant funding in the short term to allow the facility to fully recover from the COVID-19 pandemic. An application for grant funding has been submitted to Creative Scotland with the Board awaiting the outcome.

The charity submitted a grant application to Highland Council in August 2023 as part of their Community Regeneration Programme. The project consists of scoping out costings for the improvement, enhancement and updating of the building infrastructure. The application was successful and was awarded a total of £12,179. The first tranche £4,872 of grant will be received in December 2023 with the final tranche £7,307 to be received in March 2024.

NAIRN COMMUNITY & ARTS CENTRE

THE FOLLOWING PAGE IS FOR THE USE OF MANAGEMENT ONLY

NAIRN COMMUNITY & ARTS CENTRE*For the Year ended 31 March 2023*

	Restricted £	Designated £	Unrestricted £	2023 £	2022 £
<u>INCOME</u>					
Grants Received	-	-	33,325	33,325	166,158
Community Donations	-	-	1,005	1,005	113
Furlough Payments	-	-	-	-	4,650
Hires	-	-	87,408	87,408	60,444
Functions	-	-	54,665	54,665	59,608
Catering Sales	-	-	16,883	16,883	9,744
Rental Income	-	-	31,882	31,882	16,185
Nairn Community Transport	-	-	15,000	15,000	15,000
Electric Charging Point Income	-	-	1,530	1,530	429
In-house MIDAS Training Income	-	-	2,250	2,250	-
Sundry Income	-	-	1,494	1,494	2,405
Bank Interest Received	-	-	-	-	21
	-	-	245,442	245,442	334,757
<u>EXPENDITURE</u>					
Salaries	-	-	143,205	143,205	111,727
Staff Pension Scheme	-	-	4,027	4,027	3,172
Staff Clothing	-	-	535	535	-
Staff Training	-	-	1,300	1,300	1,916
Heating and Lighting	-	-	25,227	25,227	13,670
Water Rates	-	-	4,057	4,057	3,116
Cleaning Materials	-	-	4,796	4,796	2,949
Refuse Collection Charges	-	-	1,615	1,615	1,039
Repairs and Maintenance	-	-	10,692	10,692	14,080
Small Purchases and Accessories	-	-	745	745	708
Lease of Equipment	-	-	832	832	890
Catering Costs	-	-	9,345	9,345	7,029
Function Licences	-	-	110	110	130
Entertainment	-	-	46,394	46,394	45,001
Insurance	-	-	7,675	7,675	6,807
Advertising	-	-	1,635	1,635	716
Postage and Stationery	-	-	2,641	2,641	1,028
Telephone	-	-	2,526	2,526	2,387
Computer Costs	-	-	175	175	612
Independent Examination	-	-	1,622	1,622	2,250
Subscriptions	-	-	780	780	405
Licences	-	-	4,386	4,386	3,113
Credit Charges	-	-	1,217	1,217	951
Sundry Expenses	-	-	1,919	1,919	150
Bad Debts	-	-	-	-	344
Depreciation	53,864	-	4,521	58,385	58,902
	53,864	-	281,977	335,841	283,092
(DEFICIT) / SURPLUS FOR YEAR	(53,864)	-	(36,535)	(90,399)	51,665