

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE**

**DIRECTORS REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2015**



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## **TRUSTEES ANNUAL REPORT YEAR ENDED 30 NOVEMBER 2015**

The trustees, who are also directors for the purpose of company law, have pleasure in presenting their annual report and the unaudited financial statements of the charity for the year ended 30 November 2015.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Nairn Improvement Community Enterprise
<b>Charity registration number</b>	SC042118
<b>Company registration number</b>	SC388110
<b>Registered office</b>	Drumdelnies Delnies by Nairn IV12 5NT

### **THE TRUSTEES**

The trustees under charity law, who are also the directors under company law, who served the charity during the year were as follows:

Dr A L Noble  
D M Barnett  
I Fairweather  
J C Mair (*resigned 26 January 2016*)  
J N Hart  
L G Kerr  
Mrs R S Young (*resigned 26 January 2016*)  
M P Swanson  
M J Hilton  
Mrs S Munro

**Secretary** Douglas Michael Barnett

**Bankers** Royal Bank of Scotland  
20 High Street  
Nairn  
IV12 4AY

**Independent Examiner** Iain A Gordon CA

**TRUSTEES ANNUAL REPORT *(continued)***  
**YEAR ENDED 30 NOVEMBER 2015**

The directors, who are also the trustees under charity law, submit their report and financial statements for the year ended 30 November 2015.

The company was incorporated on 3 November 2010 as a Company Limited by Guarantee and was recognised by OSCR (the Office of the Scottish Charities Regulator) as a Scottish Charity on 7 February 2011. Recognition under the Land Reform Act (Scotland) 2003 - the 'Right to Buy' legislation - was granted on 25 September 2012.

At the year end the company had 1043 members being individuals resident in Nairnshire.

**Financial Review**

The company made an operating loss of £62 during the year.

The company's net assets are currently represented by a negative amount of unrestricted funds of (£15,350) which is funded by interest-free loans from the directors and their associates. The loans are documented on terms which state they will be repaid at the discretion of the Company's board when the Company is in a financially sound state and is able to make such repayment, and that they will be repayable in the event the Company becomes insolvent or ceases trading or is unable to pay its debts

**Objectives and Activities**

The company's initial activity was to act as lobbying group with particular regard to the town centre of Nairn. The company expressed the views of its members on proposals for the town centre development put forward by Highland Council and others, and also submitted its own alternative ideas supported by a detailed plan. Recognition as a Community Body was granted by the Minister on 25th September 2012, and the directors then sought and received a grant of £10,000 from Awards For All to conduct a feasibility study for the acquisition, conversion, and use of the Old Social Work building in Nairn town centre. The Study was delivered on schedule in July 2013 and was well received in the Community. Following discussion with interested parties a Supplemental Report was produced in November 2013 recommending that NICE proceed with the purchase of the Old Social Work Building. At a meeting in November 2013 Highland Council confirmed that NICE could buy the building if it paid the open market value as advised by the District Valuer, and the District Valuer was instructed to produce his valuation. The District Valuer reported his valuation in February 2014, and NICE had further discussion with Highland Council, potential tenants and funders with a view to buying the building and bringing it into use for the benefit of the local community at the earliest opportunity. A potential tenant was identified and funding to acquire the building had been secured when the tenant decided to locate elsewhere. It had not proved possible by the year end to identify another potential tenant.

**Plans for the Future**

NICE conducted a survey of community opinion on the future of Nairn's Town Centre in anticipation of a Charrette Highland Council held in partnership with NICE in April 2014, and the outcome of the

**TRUSTEES ANNUAL REPORT (*continued*)**  
**YEAR ENDED 30 NOVEMBER 2015**

Charrette was a strong local consensus of a vision for the town's future infrastructure. Subsequent to the year end two follow-up Charrette events were held and attended by NICE. At the second, in May 2015, it was agreed that NICE was well positioned to be the Social Enterprise to be the lead delivery vehicle for Nairn's regeneration, working in partnership with the community and its various representative bodies and elected members. NICE was awarded a £10,000 Grant by Scottish Government to facilitate and plan the next steps, and at the year end NICE was in the process of engaging an adviser to develop a Town Centre Action Plan. Shortly before the year end NICE was offered the opportunity by the Highland Council to collaborate with the Nairn Men's Shed to take a lease on the property known as Viewfield Stables, and NICE was working with the parties on this.

**Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that year. In preparing these financial statements, the trustees are required to:

- ❑ select suitable accounting policies and then apply them consistently;
- ❑ make judgement and estimates that are reasonable and prudent; and
- ❑ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Examiner**

Iain A Gordon CA was appointed to act as Independent Examiner.

**Small Company Provisions**

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

This report was approved by the Trustees on 10 August 2016 and signed on their behalf by

**D M Barnett**

## **INDEPENDENT EXAMINER'S REPORT YEAR ENDED 30 NOVEMBER 2015**

I report on the accounts of the charity for the years ended 30 November 2015 which are set out on pages 6 to 11.

### **Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors of the company for the purposes of Company Law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 accounts.

### **Independent examiner's statement**

In the course of my examination, no matter has come to my attention

- 1- which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
- 2- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Iain A Gordon CA

Date: August 2016

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)  
YEAR ENDED 30 NOVEMBER 2015**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
		£	£	£	£
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Donations	2	-	-	-	50
Grants	3	-	10,000	10,000	-
Other Income	4	-	-	-	-
<b>TOTAL INCOMING RESOURCES</b>		-	10,000	10,000	50
<b>RESOURCES EXPENDED</b>					
Charitable activities	5	(62)	-	(62)	(626)
Governance Costs	6	-	-	-	(88)
<b>TOTAL RESOURCES EXPENDED</b>		(62)	-	(62)	(714)
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		(62)	10,000	9,938	-
TRANSFER BETWEEN FUNDS		-	-	-	-
<b>NET SURPLUS / (LOSS) FOR THE YEAR</b>		(62)	10,000	9,938	(714)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		(15,288)	-	(15,288)	(14,624)

<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(15,350)</b>	<b>10,000</b>	<b>(5,350)</b>	<b>(15,288)</b>		

The charitable company's operations are classed as continuing and recognised gains and losses and movement on reserves are shown above.

**BALANCE SHEET  
YEAR ENDED 30 NOVEMBER 2015**

	Note	2015		2014	
		£	£	£	£
<b>CURRENT ASSETS</b>					
Cash at bank and in hand		10,550		688	
<b>CREDITORS: Amounts due within one year</b>	7	-		(76)	
<b>NET CURRENT ASSETS</b>			<b>10,550</b>		612
<b>CREDITORS: Amounts due after more than one year</b>	8		(15,900)		(15,900)
<b>NET ASSETS</b>			<b>(5,350)</b>		<b>(15,288)</b>
<b>FUNDS</b>					
Unrestricted funds			(15,350)		(15,288)
Restricted funds			10,000		-
<b>Total funds</b>			<b>(5,350)</b>		<b>(15,288)</b>

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The trustees acknowledge their responsibilities for:

- i. ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and
- ii. preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for

Smaller Entities (effective April 2008).

These financial statements were approved by the members of the committee on 10 August 2016 and are signed on their behalf by:

**D M Barnett**  
10 August 2016

**I Fairweather**  
10 August 2016

The notes on pages 8 and 11 form part of these financial statements.

**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 30 NOVEMBER 2015**

<b>1</b>	<b>Basis of accounting</b>
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The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice, “ Accounting and Reporting by Charities” issued in March 2005 (SORP 2005) and the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

***Incoming Resources***

Incoming resources are recognised in the statement of financial activities when entitlement has passed to the charitable company and the amounts are certain and measurable. Any incoming resources received in an accounting year that relate exclusively to future years are deferred on the Balance Sheet.

***Resources Expended***

Expenditure is recognised in the statement of financial activities when a liability is incurred or increased without a commensurate increase in recognised assets or a reduction in liabilities.

***Funds***

***Unrestricted Funds***

These represent all other funds held for the general purposes of the charitable company.

***Restricted Funds***

These represent income received that is subject to specific restrictions for use determined by the donor which are narrower than the charitable company’s general objects.

**NOTES TO THE ACCOUNTS (continued)**  
**YEAR ENDED 30 NOVEMBER 2015**

<b>2 Donations</b>				
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Nairn West Community Council	-	-	-	-
Nairn Suburban Community Council	-	-	-	-
Other donations	-	-	-	50
<b>Total</b>	-	-	-	<b>50</b>

<b>3 Grants</b>				
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Scottish Government	-	10,000	10,000	-
<b>Total</b>	-	<b>10,000</b>	<b>10,000</b>	-

<b>4 Other income</b>				
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sale of fleeces	-	-	-	-
<b>Total</b>	-	-	-	-

<b>5 Charitable Activities</b>				
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Charitable activities	62	-	62	626

<b>Total</b>	<b>62</b>	<b>-</b>	<b>62</b>	<b>626</b>

**NOTES TO THE ACCOUNTS (continued)**  
**YEAR ENDED 30 NOVEMBER 2015**

<b>6</b>	<b>Governance Costs</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Independent Examination & Companies House Fees	-	-	-	88
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>

<b>7</b>	<b>CREDITORS: Amounts due within one year</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals	-	-	-	76
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>

<b>8</b>	<b>CREDITORS: Amounts due after more than one year</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest-free loans from directors	15,900	-	15,900	15,900
<b>Total</b>	<b>15,900</b>	<b>-</b>	<b>15,900</b>	<b>15,900</b>

The interest-free loans are on agreed written terms which state they will be repaid at the discretion of the Company's board when the Company is in a financially sound state and is able to make such repayment. The Directors have declared that, even if funds become available, the loans shall not be repaid before 1 December 2016.

**NOTES TO THE ACCOUNTS (continued)**  
**YEAR ENDED 30 NOVEMBER 2015**

9	Movement on Funds				
	At 01 December 2014	Incoming Resources	Resources Expended	Transfers Between Funds	At 30 November 2015
	£	£	£		£
<b>Restricted Funds</b>					
Grants	-	10,000	-	-	10,000
<b>Sub total</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>10,000</b>
<b>Unrestricted Funds</b>					
General Fund	(15,288)	-	(62)	-	(15,350)
<b>Sub total</b>	<b>(15,288)</b>	<b>-</b>	<b>(62)</b>	<b>-</b>	<b>(15,350)</b>
<b>Total Funds</b>	<b>(15,288)</b>	<b>10,000</b>	<b>(62)</b>	<b>-</b>	<b>(15,350)</b>

**10 Related Party Transactions**

No trustees or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. Four Trustees and their associates made interest-free loans totalling £15,900 (2014 – £15,900) to the company with no fixed repayment date.

**11 Staff**

During the year, Nairn Improvement Community Enterprise has not employed any staff.

**12 Directors' Remuneration**

No fees or emoluments were payable or paid to the directors in the year, in accordance with the company's Articles.

**13 Company Limited by Guarantee**

The liability of members is limited by guarantee. In the event of the charity being wound up during the year of membership or in the following year, members would be required to contribute an amount not exceeding £1.

## **14 Taxation**

As a charity, Nairn Improvement Community Enterprise is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity. The charity is not registered for VAT.