

NAIRN IMPROVEMENT COMMUNITY ENTERPRISE

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2019



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**DIRECTORS' ANNUAL REPORT
YEAR ENDED 30 NOVEMBER 2019**

The directors, who are also trustees under charity law, have pleasure in presenting their annual report and the unaudited financial statements of the company for the year ended 30 November 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Company Registration Number	SC388110
Registered Charity Name	Nairn Improvement Community Enterprise
Charity Registration Number	SC042118
Registered Office	Drumdelnies Delnies by Nairn IV12 5NT

THE DIRECTORS

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

Dr A L Noble (*Chairman*)

D M Barnett (*Secretary & Acting Treasurer*)
I Fairweather
J N Hart
M P Swanson
M J Hilton (*resigned 20 November 2019*)
S Westbrook
Mrs S Hey
S Hey
Ms M Lawson

Secretary

Douglas Michael Barnett

Bankers

Royal Bank of Scotland
Inverness Chief Office (C) Branch
29 Harbour Road
Inverness
IV1 1NU

Independent Examiner

Iain A Gordon CA

DIRECTORS' ANNUAL REPORT (*continued*)
YEAR ENDED 30 NOVEMBER 2019

The directors, who are also the trustees under charity law, submit their report and financial statements for the year ended 30 November 2019.

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. The recognition was updated in November 2017 for the purposes of the Community Right to Buy legislation.

At the year end the company had 1016 members being individuals resident in Nairnshire.

Financial Review

The company incurred an operating deficit of £568 on unrestricted funds during the year, and a surplus of £30,389 on restricted funds, this being unspent monies received for specific purposes.

The company's net assets at 30 November 2019 were £115,638, comprising a balance of restricted funds of £131,568 , and a negative amount of unrestricted funds of (£16,240).

Objectives and Activities

The company's initial activity in 2010 was to act as a 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 The 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. At the completion of the study a tenant was identified, funding to acquire the building was secured, and a business plan agreed with the prospective tenant that was acceptable to Social Investment Scotland who would have lent funds to develop the property, when the prospective tenant decided to locate elsewhere. It did not prove possible to identify another tenant and in consequence the project lapsed.

In April 2014 the company conducted a survey of community opinion on the future of Nairn's Town Centre in anticipation of a Charrette The Highland Council were about to hold, the outcome of which was a strong local consensus of a vision for the town's future infrastructure and, published in September 2014, a Town Centre Plan. Two follow-up Charrette events were subsequently held, and at the second, in May 2015, it was agreed that the company was well positioned to be the Social Enterprise to be the lead delivery vehicle for Nairn's town centre regeneration, working in partnership with the community and various representative bodies and elected members. The company was awarded a £10,000 Grant in 2015 by Scottish Government to facilitate and plan the next steps, and the company engaged an independent consultant, Marion Francis, to develop a Town

DIRECTORS' ANNUAL REPORT *(continued)* YEAR ENDED 30 NOVEMBER 2019

Centre Action Plan. The company prepared a programme of work beginning with community consultation, and both The Highland Council and a local group known as the Nairn Economic Initiative worked with the company to present a joint event in May 2016. Further work was done behind the scenes, and in February 2017 Marion Francis presented her findings to a public meeting.

In 2016 the company was approached by the head of the Scottish Government's BID ("Business Improvement District") department with the suggestion that the company should take the lead in enabling a "BID for Nairnshire" to be prepared. The directors saw this as completely in line with the company's aspirations for regenerating the town, and a Steering Group was formed comprising two of the company's directors, along with Michael Boylan (Chair of the Association of Nairn Businesses) and Michael Green (Elected Highland Councillor). It was agreed that the company would act as the funding conduit for the work, and the Steering Group engaged in the task of learning about BIDs, getting sufficient funding for the project to take a BID proposal to ballot, and

recruiting a project co-ordinator to lead the work. Funding of approximately £50,000 in total was secured from Scottish Government, The Highland Council, and Highlands & Islands Enterprise, and an appointment to the key role of project co-ordinator was made in April 2017. The BID definition preparatory work was substantially complete at 30 November 2017, and the BID Ballot on 16 August 2018 yielded a convincing “YES” vote in favour. The BID is now established and operating as a separate unconnected company.

In 2017 the company was approached by Susan and Samuel Hey with the request that the company take over the fundraising activity #TeamHamish that they had recently started in memory of their young son Hamish. The directors welcomed the request, and Susan and Samuel Hey were appointed directors of the company in July 2017, and a separate #TeamHamish bank account was opened to ensure complete separation of the funds raised. At the time of writing this report the funds raised exceed £170,000. Ideas for using the funds to launch a project to improve the seafront area in collaboration with The Highland Council were presented to the public in June 2018, and were in essence adopted by a consultant appointed by The Highland Council to lead a public consultation which concluded in December 2018. Since then a project team was established with The Highland Council to deliver the first phase of the Links Development as recommended by the consultant, and at the time of writing a contractor has been engaged to replace the existing Links paddling pool with a splashpad. The company is contributing in excess of half the cost of £210,000.

During the year the company received grants from the RSPB, The Highland Council and the Nairn Access Panel to refurbish the coastal footpath between the east end of the Lochloy caravan site and Kingsteps, which work was completed to a high standard by contractors.

For several years the company had carried a debt of £15,900 in respect of interest-free loans from directors. These loans were voluntarily waived by the directors in November 2019.

DIRECTORS’ ANNUAL REPORT *(continued)* **YEAR ENDED 30 NOVEMBER 2019**

Statement of Directors’ Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standards for Smaller Entities and SORP 2015. Under company law the directors 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 company and of the surplus or deficit of the company for that year. In preparing these financial statements, the directors 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 company will continue in operation.

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

Independent Examiner

Iain A Gordon CA agreed to continue his appointment to act as Independent Examiner as required by OSCR.

Small Company Provisions

The report of the directors has been prepared in accordance with Financial Reporting Standards for Smaller Entities and SORP 2015.

This report was approved by the directors on XX March 2020 and signed on their behalf by

D M Barnett
Company Secretary

INDEPENDENT EXAMINER'S REPORT YEAR ENDED 30 NOVEMBER 2019

I report on the accounts of the company for the year ended 30 November 2019 which are set out on pages 7 to 13.

Respective Responsibilities of Trustees and Examiner

The charity trustees, who are the directors of the company, 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 as amended. 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 as amended. 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:

- 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, and to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met;
- 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
 Member of Institute of Chartered Accountants of Scotland
 Moss-side
 Nairn
 IV12 5NZ

March 2020

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 30 NOVEMBER 2019

		Note	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
			£	£	£	£

INCOMING RESOURCES						
Incoming resources from generated funds						
Donations	2	-	39,962	39,962	97,257	
		2				
		5				
Grants	3	6	6,744	7,000	12,565	
Other Income	4	-	-	-	-	
TOTAL INCOMING RESOURCES		256	46,706	46,962	109,822	
RESOURCES EXPENDED						
Charitable activities	5	90	6,744	6,834	32,947	
Governance Costs	6	457	-	457	112	
TOTAL RESOURCES EXPENDED		547	6,744	7,291	33,059	
NET INCOMING RESOURCES BEFORE TRANSFERS		(227)	78,730	78,503	76,763	
TRANSFER BETWEEN FUNDS		-	-	-	-	
NET SURPLUS / (DEFICIT) FOR THE YEAR		(227)	78,730	78,503	76,763	
RECONCILIATION OF FUNDS						
Total funds brought forward		(16,268)	55,143	38,875	38,875	
TOTAL FUNDS CARRIED FORWARD		(16,495)	133,873	117,378	115,638	

The company's operations are classed as continuing and recognised gains and losses and movement on funds are shown above. An analysis of funds is included in Note 10.

BALANCE SHEET
YEAR ENDED 30 NOVEMBER 2019

	Note	2019		2018	
		£	£	£	£
CURRENT ASSETS					
Cash at bank and in hand	8	171,946		131,538	
Receivables	9	-		-	
		171,946		131,538	
CREDITORS: Amounts due within one year	7	-		-	
NET CURRENT ASSETS			171,946		131,538
CREDITORS: Amounts due after more than one year	7		-		(15,900)
NET ASSETS			<u>171,946</u>		<u>115,638</u>
FUNDS	10				
Unrestricted funds			486		(16,095)
Restricted funds			171,695		131,733
Total funds			<u>172,181</u>		<u>115,638</u>

The directors are satisfied that the company 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 directors acknowledge their responsibilities for:

- i. ensuring that the company 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 company 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 company.

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), and these financial statements were approved by the directors

on 19 March 2019 and are signed on their behalf by:

D M Barnett
March 2020

I Fairweather
March 2020

The notes on pages 9 to 13 form part of these financial statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 30 NOVEMBER 2019

1	Basis of Accounting
<p>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).</p>	
Incoming Resources	
<p>Incoming resources are recognised in the statement of financial activities when entitlement has passed to the 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.</p>	
Resources Expended	
<p>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.</p>	
Funds	
<i>Restricted Funds</i>	
<p>These represent income receivable that is subject to specific restrictions for use determined by the donor which are narrower than the company’s general objects.</p>	
<i>Unrestricted Funds</i>	
<p>These represent all other funds held for the general purposes of the company.</p>	

2	Donations			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
#TeamHamish Donations (net of bank charges and including Gift Aid)	-	39,962	39,962	97,257
	-			

Total	-	39,962	39,962	97,257
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NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 30 NOVEMBER 2019

3				
Grants	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
The Highland Council		4,000	4,000	1,852
The RSPB		500	500	10,713
Nairn Access Panel		2,000	2,000	-
Private Individual	256	244	500	-
Total	256	6,744	7,000	12,565

4	Other Income			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
	-	-	-	-
Total	-	-	-	-

5	Charitable Activities			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
DTAS Membership Fee	90		90	90
Bank Charges	-		-	25
Path Expenditure		6,744	6,744	32,832
Total	90	6,744	6,834	32,947

6	Governance Costs			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£

AGM Costs	443	-	443	112
Companies House Fee	13	-	13	-
Total	457	-	457	112

NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 30 NOVEMBER 2019

7	Creditors: Amounts due within one year			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Accruals	-	-	-	-
Total	-	-	-	-

	Creditors: Amounts due after more than one year			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Interest-free loans from directors	-	-	-	15,900
Total	-	-	-	15,900

8	Cash at Bank and in Hand			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
General Account	251	-	251	542
#TeamHamish Account	-	170,958	170,958	130,996

Total	251	170,958	171,209	131,538
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NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 30 NOVEMBER 2019

9 Receivables: Amounts due within one year				
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Accrued Income	-	-	-	-
Total	-	-	-	-

10 Movement on Funds

	At 1 December 2018	Incoming Resources	Resources Expended	Transfers Between Funds	At 30 November 2019
	£	£	£	£	£
Restricted Funds					
Business Improvement District	21,240	20,305	(40,973)	-	572
#TeamHamish	33,739	97,257	-	-	130,996
Sub total	55,143	117,562	(40,973)	-	131,568
Unrestricted Funds					
General Fund	(16,268)	400	(372)	-	(16,240)
Sub total	(16,268)	400	(372)	-	(16,240)

Total Funds	38,875	117,962	(41,345)	-	115,328

NOTES TO THE ACCOUNTS *(continued)*
YEAR ENDED 30 NOVEMBER 2019

11 Comparative Total Funds 2019 as between Funds

a. Incoming Resources

Donations: Unrestricted £nil; Restricted £33,379; Total £33,379

Grants: Unrestricted £nil; Restricted £18,140; Total £18,140

b. Resources Expended

Charitable Activities: Unrestricted £135; Restricted £21,490; Total £21,625

Governance Costs: Unrestricted £433; Restricted £nil; Total £433

c. Net Incoming Resources: Unrestricted (£568); Restricted £30,389; Total £29,821

12 Comparative Movement in Funds 2019

Town Centre Project: Opening £4,754; Net Outgoing £4,590; Closing £164

Business Improvement District: Opening £20,000; Net Incoming £240;

Closing £21,240

#TeamHamish Opening: Nil; Net Incoming £33,739; Closing £33,739

General Fund: Opening (£15,700); Net Outgoing (£568); Closing (£16,268)

13 Related Party Transactions

No director or other person related to the company had any personal interest in any contract or transaction entered into by the company during the year.

14 Staff

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

15 Directors' Remuneration

No fees or emoluments were payable or paid to the directors in the year, in accordance with the

company's Articles.

16 Company Limited by Guarantee

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

17 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

DIRECTORS' ANNUAL REPORT *(continued)* YEAR ENDED 30 NOVEMBER 2019

1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity. The company is not registered for VAT.

18 Going Concern

The Directors, who are also the Trustees of the Charity under Charity Law, consider that there are no material uncertainties about the Company's ability to continue as a Going Concern.