

3.1.18
Company Registration No. SC388110
Charity Registration No. SC042118

NAIRN IMPROVEMENT COMMUNITY ENTERPRISE

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 30 NOVEMBER 2018



**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
(COMPANY LIMITED BY GUARANTEE)**

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**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
(COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' ANNUAL REPORT
YEAR ENDED 30 NOVEMBER 2018**

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 2018.

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
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

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**DIRECTORS' ANNUAL REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2018**

The directors, who are also the trustees under charity law, submit their report and financial statements for the year ended 30 November 2018.

Structure, Governance and Management

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.

Directors are appointed from the Membership and receive appropriate induction and training. The company is managed by its Directors who receive no remuneration. The Directors receive financial information on the Company and carry out a risk management review at each Board Meeting,

Financial Review

The company had an operating surplus of £173 on unrestricted funds during the year, and a surplus of £76,590 on restricted funds, this being unspent monies received for specific purposes.

The company's net assets at 30 November 2018 were £115,638, comprising a balance of restricted funds of £131,733, and a negative amount of unrestricted funds of (£16,095), which is funded to the extent of (£15,900) by interest-free loans from 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 ceases trading, becomes insolvent or is otherwise unable to pay its debts.

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

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**DIRECTORS' ANNUAL REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2018**

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 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 £160,000 and 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. A project team is working with The Highland Council to deliver the first phase of work to replace the existing paddling pool with a watersplash feature.

Statement of Directors' Responsibilities

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

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**DIRECTORS' ANNUAL REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2018**

Company law requires the directors to prepare financial statements for each financial year. 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;
- observe the methods and principles of the Statement of Recommended Practice (SORP) for Charity Accounting;
- 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 was appointed to act as Independent Examiner.

This report was approved by the directors on (8 August 2019 and signed on their behalf by


D M Barnett
Company Secretary

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
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**INDEPENDENT EXAMINER'S REPORT
YEAR ENDED 30 NOVEMBER 2018**

I report on the accounts of the company for the year ended 30 November 2018 which are set out on pages 7 to 14.

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.

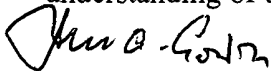
Basis of Independent Examiner's Statement

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;
- or 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

18th August 2019

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
(COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND
EXPENDITURE ACCOUNT) YEAR ENDED 30 NOVEMBER 2018**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 (note 11) £
INCOMING RESOURCES					
Incoming resources from generated funds					
Donations	2	-	97,257	97,257	33,739
Grants	3	400	12,165	12,565	18,140
Other Income	4	-	-	-	-
TOTAL INCOMING RESOURCES		400	109,422	109,822	51,879
RESOURCES EXPENDED					
Charitable activities	5	115	32,832	32,947	21,625
Governance Costs	6	112	-	112	433
TOTAL RESOURCES EXPENDED		227	32,832	33,059	22,058
NET INCOMING RESOURCES BEFORE TRANSFERS		173	76,590	76,763	29,821
TRANSFER BETWEEN FUNDS		-	-	-	-
NET SURPLUS / (DEFICIT) FOR THE YEAR		173	76,590	76,763	29,821
RECONCILIATION OF FUNDS					
Total funds brought forward		(16,268)	55,143	38,875	9,054
TOTAL FUNDS CARRIED FORWARD		(16,095)	131,733	115,638	38,875

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.

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
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**BALANCE SHEET
YEAR ENDED 30 NOVEMBER 2018**

	Note	2018	2017
		£	£
CURRENT ASSETS			
Cash at bank and in hand	8	131,538	48,850
Receivables	9	-	8,140
		<u>131,538</u>	<u>56,990</u>
CREDITORS: Amounts due within one year	7	<u>-</u>	<u>2,215</u>
NET CURRENT ASSETS		<u>131,538</u>	<u>54,775</u>
CREDITORS: Amounts due after more than one year	7	<u>(15,900)</u>	<u>(15,900)</u>
NET ASSETS		<u>115,638</u>	<u>38,875</u>
FUNDS	10		
Unrestricted funds		(16,095)	(16,268)
Restricted funds		131,733	55,143
Total funds		<u>115,638</u>	<u>38,875</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:

- ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- 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
(s) August 2019


I Fairweather
(s) August 2019

The notes on pages 9 to 14 form part of these financial statements.

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
YEAR ENDED 30 NOVEMBER 2018**

1 Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2015 as well as the Companies Act 2006 and the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities in accordance with the Financial Reporting Standard FRS 102 effective 1st January 2015. The Charity meets the definition of a Public Benefit Entity as defined by FRS 102. The Company has taken advantage of the reduced reporting exemptions permitted within FRS 102 as regards Statement of Cash Flow

Incoming Resources

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.

Resources Expended

Expenditure is recognised in the statement of financial activities on an accruals basis

Funds

The Charity operates Fund Accounting

Restricted Funds

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.

Unrestricted Funds

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

2 Donations

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
#TeamHamish Donations (net of bank charges)	-	97,257	97,257	33,739
	-	-	-	-
Total	-	97,257	97,257	33,739
	-	97,257	97,257	33,739

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
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**NOTES TO THE ACCOUNTS *(continued)*
YEAR ENDED 30 NOVEMBER 2018**

3 Grants

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
The Highland Council	400	1,452	1,852	10,000
Highlands & Islands Enterprise		10,713	10,713	8,140
Total	400	12,165	12,565	18,140

4 Other Income

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
		-		
Total	-	-	-	-

5 Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Town Centre Consultation				4,590
DTAS Membership Fee	90		90	75
Bank Charges	25		25	60
BID Expenditure		32,832	32,832	16,900
Total	115	32,832	32,947	21,625

6 Governance Costs

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
AGM Costs	112	-	112	407
Companies House Fee	-	-	-	26
Total	112	-	112	433

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
(COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS (*continued*)
YEAR ENDED 30 NOVEMBER 2018**

7 Creditors: Amounts due within one year

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Accruals – Coigach Consulting	-	-	-	2,215
Total	-	-	-	2,215

Creditors: Amounts due after more than one year

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Interest-free loans from directors	15,900	-	15,900	15,900
Total	15,900	-	15,900	15,900

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 able to make such repayment. The Directors have declared that, even if funds become available, the loans shall not be repaid before 1 September 2019.

8 Cash at Bank and in Hand

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
General Account	542	-	542	15,111
#TeamHamish Account	-	130,996	130,996	33,739
Total	542	130,996	131,538	48,850

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
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**NOTES TO THE ACCOUNTS (*continued*)
YEAR ENDED 30 NOVEMBER 2018**

9 Receivables: Amounts due within one year

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Accrued Income – Highland & Islands Enterprise	-	-	-	8,140
Total	-	-	-	8,140

10 Movement on Funds

	At 1st December 2017 (Note 12) £	Incoming Resources £	Resources Expended £	Transfers Between Funds £	At 30 November 2018 £
Restricted Funds					
Town Centre Project	164				164
Business Improvement District	21,240	12,165	(32,832)	-	573
#TeamHamish	33,739	97,257	-		130,996
Sub total	55,143	109,422	(32,832)	-	131,733
Unrestricted Funds					
General Fund	(16,268)	400	(227)	-	(16,095)
Sub total	(16,268)	400	(227)	-	(16,095)
Total Funds	38,875	109,822	(33,059)	-	115,638

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
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**NOTES TO THE ACCOUNTS *(continued)*
YEAR ENDED 30 NOVEMBER 2018**

11 Comparative Total Funds 2018 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 2018

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. Four directors and their associates made interest-free loans totalling £15,900 (2017 – £15,900) to the company in previous years with no fixed repayment date.

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

**NAIRN IMPROVEMENT COMMUNITY ENTERPRISE
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**DIRECTORS' ANNUAL REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2018**

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.