

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31st December 2021
for
Nairn River Enterprise
(A Company Limited by Guarantee)

Frame Kennedy
4th Floor Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Nairn River Enterprise

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for the year ended 31st December 2021**

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Nairn River Enterprise
Chairman's Report
for the year ended 31st December 2021

It seems that each year I find myself delighted to report continued progress in the development of our happy organisation. Despite the continuing rigours of the pandemic and lock downs we have grown our staff team and volunteer support in the community. Our workshop is better equipped. We have secured funding in excess of previous years and are now seeing the dawn of a period of notable income generated by our volunteers' efforts.

A highlight has been the (COVID-delayed) presentation of the Queens Award for Voluntary Service by the Duchess of Cornwall, who met a number of our volunteers on the day. Every one of our members has been presented with their own QAVS award badge.

We were not able to offer organised group activity in the community, but our workshop hosted increasing opportunities for volunteers to join us. In the last seven months of the year we managed to run more than 40 full workshop days and 128 volunteers clocked up many hours learning, making and enjoying each other's company. More than this, they helped us divert more than 5,700 kilos of waste from landfill, making 120 products for retail from recycled plastic in the process.

What has been especially rewarding is that all the projects and activities we are delivering come from original suggestions offered by local people at public meetings or through canvassing opinion at local events, rather than from members of our Board. All of our activity is, or is planned to be, delivered by volunteers.

In all our achievements during 2021 we have been generously supported by a number of grant funders. We are grateful to The Rank Foundation, Garfield Weston, Highlands and Islands Enterprise, Highland Council, Scottish Government, Impact Funding Partners, Energy Saving Trust, Cycling Scotland, The Maple Trust, Arnold Clark and the People's Postcode Trust for the grants that have enabled us to realise our objectives for the year and placed us in a strong position to move on into 2022.

Simon Noble
Chair
Nairn River Enterprise
10 July 2022

Nairn River Enterprise
Report of the Trustees
for the year ended 31st December 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

Objectives and activities

Objectives and aims

Nairn River Enterprise (NRE) was set up a Company Limited by Guarantee on 1 December 2015 and registered as a charity on 11 September 2017. It operates under the name Green Hive.

The purpose of the charity is the advancement of citizenship or community development (including rural or urban regeneration), the advancement of environmental protection or improvement and the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

Our vision is to be a hub for the local community and, through a focus on the environment, strengthen and build the community of Nairnshire in an inclusive and sustainable way. We want to support local people in designing and running their own solutions to local challenges by engaging with the community in as many ways as possible and empowering people to deliver activities and services which benefit them and others from all sections of the community. Through these activities we want to provide employability opportunities and, ultimately, employment, particularly for the long-term unemployed in our area.

Financial review

Financial position

During 2021, we obtained funding from a variety of sources, enabling us to undertake a number of new projects as well as complete projects started in the previous year. We were able to maintain our premises and build on the professional development of our team of 4 staff.

Reserves policy

Our policy is to build up unrestricted reserves sufficient to cover operating costs for around three months. At 31 December 2021 the charity had restricted reserves totalling £70,017 and unrestricted reserves of £10,700. Total reserves were £80,717.

Going concern

At heart, we are a volunteer organisation, so able to deliver at least limited community activity at limited cost. We contract both premises and development support on fixed-term arrangements, which provides us with the flexibility to scale back and revert to our voluntary resources if funding is not secured.

Future plans

The company's primary source of funding up to December 2022 will remain grant funding.

The trustees' annual report and the strategic report were approved on 18 August 2022 and signed on behalf of the board of trustees by Simon Noble.

Structure, governance and management

Governing document

Nairn River Enterprise is a company limited by guarantee governed by its Memorandum and Articles of Association (18th August 2022). It is a registered charity with the Scottish Charity Regulator. Anyone over the age of 16 can become a member of the company, each of whom agrees to contribute up to £1 in the event of the charity winding up.

Nairn River Enterprise

Report of the Trustees for the year ended 31st December 2021

Structure, governance and management

Recruitment and appointment of new trustees

As set out in the Articles of Association, the trustees are elected annually by the members of the charitable company attending the Annual General Meeting and serve for a period of one year and are eligible to stand for re-election. The trustees have the power to appoint up to three non-member co-opted directors either on the basis that he/she has been nominated by a body with which the Company has close contact in the course of its activities or on the basis that he/she has specialist experience and/or skills which could be of assistance to the directors.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of retiring trustees and requesting nominations for the AGM. When considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed.

Organisational structure

The board of trustees, which can have up to 12 members, administers the charity. The board normally meets every two months and is supported by two sub-committees: the Finance Committee and the Town Centre Hub Committee, which is occupied with overseeing plans for the acquisition and development of a community hub in the town.

Induction and training of new trustees

New trustees are informed of their obligations under charity and company law, the Scottish Charity Regulator's guidance on trustee duties and provided with copies of the company's Memorandum and Articles of Association, business plan and recent financial performance of the charity. Trustees participate in meetings and events focussed on the company's governance and decision-making processes.

Risk management

The trustees manage risk in the following way

- by reviewing on a bi-monthly basis the principal risks and uncertainties that the charity faces,
- by establishing policies, systems and procedures to mitigate those risks identified in the bi-monthly reviews,
- by implementing procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

In the long term, financial sustainability will depend on income generated from a range of activities associated with waste reduction and up-cycling. Key elements in the management of financial risk include a regular review of available liquid funds to settle debts as they fall due, a strategic approach to business planning and the dedication of resources to the generation of grant funding. Attention has also been focussed on the health and safety of volunteers. These risks are managed by the preparation of risk assessments ahead of each activity, ensuring that first aiders are present where necessary and regular awareness training for those working on behalf of the board in these operational areas.

Reference and administrative details

Registered Company number

SC521561 (Scotland)

Registered Charity number

SC047727

Registered office

Green Hive Workshop
Unit 9a2
Balmakeith Industrial Estate
Nairn
IV12 5QW

Nairn River Enterprise
Report of the Trustees
for the year ended 31st December 2021

Trustees

K Bolam (appointed 17.2.2022)
E Evans
E S M Fraser (appointed 28.4.2022)
D Jadresic (appointed 16.6.2022)
S Lusk
D T Main (appointed 28.4.2022)
S S Noble
P D Siggers
A H Simmons

Independent Examiner

Frame Kennedy
4th Floor Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Approved by order of the board of trustees on 21st December 2022 and signed on its behalf by:

S S Noble - Trustee

**Independent Examiner's Report to the Trustees of
Nairn River Enterprise**

I report on the accounts for the year ended 31st December 2021 set out on pages six to fourteen.

Respective responsibilities of trustees and examiner

The charity's trustees 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's 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 accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeking explanations from you as 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 connection with 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; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have 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.



Jillian Munro
Frame Kennedy
4th Floor Metropolitan House
31-33 High Street
Inverness
IV1 1HT

Date: 20.12.2022

Nairn River Enterprise

Statement of Financial Activities
for the year ended 31st December 2021

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies		173	-	173	371
Charitable activities					
Grants		41,500	79,984	121,484	109,037
Other income		1,280	-	1,280	2,649
Total		42,953	79,984	122,937	112,057
Expenditure on					
Charitable activities					
Operation costs		25,451	7,790	33,241	37,828
Support costs		10,108	44,117	54,225	46,910
Other		1,032	-	1,032	750
Total		36,591	51,907	88,498	85,488
NET INCOME		6,362	28,077	34,439	26,569
Reconciliation of funds					
Total funds brought forward		4,338	41,940	46,278	19,709
Total funds carried forward		10,700	70,017	80,717	46,278

The notes form part of these financial statements

Nairn River Enterprise

Balance Sheet
31st December 2021

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
Fixed assets					
Tangible assets	8	3,095	20,445	23,540	14,037
Current assets					
Debtors	9	1,713	-	1,713	933
Cash at bank		11,797	49,572	61,369	45,421
		<u>13,510</u>	<u>49,572</u>	<u>63,082</u>	<u>46,354</u>
Creditors					
Amounts falling due within one year	10	(5,905)	-	(5,905)	(14,113)
Net current assets		<u>7,605</u>	<u>49,572</u>	<u>57,177</u>	<u>32,241</u>
Total assets less current liabilities		<u>10,700</u>	<u>70,017</u>	<u>80,717</u>	<u>46,278</u>
NET ASSETS		<u>10,700</u>	<u>70,017</u>	<u>80,717</u>	<u>46,278</u>
Funds	11				
Unrestricted funds				10,700	4,338
Restricted funds				70,017	41,940
Total funds				<u>80,717</u>	<u>46,278</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Nairn River Enterprise

Balance Sheet - continued
31st December 2021

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21st December 2022 and were signed on its behalf by:

S S Noble - Trustee

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31st December 2021**

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible asset carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is recognised in 'other recognised gains and losses', unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation is recognised in 'other recognised gains and losses', except to which it offsets any previous revaluation gain, in which case the loss is shown within 'other recognised gains and losses' on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of the asset as follows:

Equipment - 5 year straight line

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Nairn River Enterprise

Notes to the Financial Statements - continued
for the year ended 31st December 2021

2. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	<u>4,189</u>	<u>667</u>

3. Independent examiners' remuneration

	2021 £	2020 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	<u>1,032</u>	<u>750</u>

4. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st December 2021 nor for the year ended 31st December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2021 nor for the year ended 31st December 2020.

5. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fund £	Total funds £
Income and endowments from			
Donations and legacies	371	-	371
Charitable activities			
Grants	10,000	99,037	109,037
Other income	2,649	-	2,649
Total	<u>13,020</u>	<u>99,037</u>	<u>112,057</u>
Expenditure on			
Charitable activities			
Operation costs	15,984	21,844	37,828
Support costs	5,203	41,707	46,910
Other	750	-	750
Total	<u>21,937</u>	<u>63,551</u>	<u>85,488</u>
NET INCOME/(EXPENDITURE)	(8,917)	35,486	26,569

Nairn River Enterprise

Notes to the Financial Statements - continued
for the year ended 31st December 2021

5. Comparatives for the statement of financial activities - continued

	Unrestricted fund £	Restricted fund £	Total funds £
Reconciliation of funds			
Total funds brought forward	13,255	6,454	19,709
Total funds carried forward	<u>4,338</u>	<u>41,940</u>	<u>46,278</u>

6. Going concern

There are no material uncertainties about the charity's ability to continue.

7. Limited by guarantee

The company has no share capital but the liability of the members is limited by guarantee. In the event of the company being wound up, the liability of each member is limited to £1. If on the winding up of the Company any property (including any land acquired by the Company in terms of the Land Reform (Scotland) Act 2003) remains after satisfaction of all the Company's debts and liabilities, such property shall not be paid or distributed among the members of the company; instead that property shall be transferred to some other Community Body or Bodies as may be determined by the members.

8. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1st January 2021	14,704
Additions	<u>13,692</u>
At 31st December 2021	<u>28,396</u>
Depreciation	
At 1st January 2021	667
Charge for year	<u>4,189</u>
At 31st December 2021	<u>4,856</u>
Net book value	
At 31st December 2021	<u>23,540</u>
At 31st December 2020	<u>14,037</u>

Nairn River Enterprise

Notes to the Financial Statements - continued
for the year ended 31st December 2021

9. Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	30	-
Other debtors	1,683	933
	<u>1,713</u>	<u>933</u>

10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,281	13,363
Other creditors	750	750
Energy savings trust loan	1,874	-
	<u>5,905</u>	<u>14,113</u>

11. Movement in funds

	At 1/1/21	Net movement in funds	At 31/12/21
	£	£	£
Unrestricted funds			
General fund	4,338	6,362	10,700
Restricted funds			
Restricted	41,940	28,077	70,017
	<u>46,278</u>	<u>34,439</u>	<u>80,717</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	42,953	(36,591)	6,362
Restricted funds			
Restricted	79,984	(51,907)	28,077
	<u>122,937</u>	<u>(88,498)</u>	<u>34,439</u>

Nairn River Enterprise

Notes to the Financial Statements - continued
for the year ended 31st December 2021

11. Movement in funds - continued

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	13,255	(8,917)	4,338
Restricted funds			
Restricted	6,454	35,486	41,940
TOTAL FUNDS	<u>19,709</u>	<u>26,569</u>	<u>46,278</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	13,020	(21,937)	(8,917)
Restricted funds			
Restricted	99,037	(63,551)	35,486
TOTAL FUNDS	<u>112,057</u>	<u>(85,488)</u>	<u>26,569</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/20 £	Net movement in funds £	At 31/12/21 £
Unrestricted funds			
General fund	13,255	(2,555)	10,700
Restricted funds			
Restricted	6,454	63,563	70,017
TOTAL FUNDS	<u>19,709</u>	<u>61,008</u>	<u>80,717</u>

Nairn River Enterprise

Notes to the Financial Statements - continued
for the year ended 31st December 2021

11. Movement in funds - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	55,973	(58,528)	(2,555)
Restricted funds			
Restricted	179,021	(115,458)	63,563
TOTAL FUNDS	<u>234,994</u>	<u>(173,986)</u>	<u>61,008</u>

12. Related party disclosures

There were no related party transactions for the year ended 31st December 2021.