

THE SPECTRUM CENTRE

ANNUAL REPORT

AND

ACCOUNTS

For the year ended 31 March 2002

GRAEME M FRASER & CO

CHARTERED ACCOUNTANTS

& REGISTERED AUDITORS

Company Registration Number: SC200499



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THE SPECTRUM CENTRE

Trustees (Directors)	Mrs P Hayden Chairwoman Mrs C Cane Mr S Cole-Hamilton Mr R Green Mrs F Larg Mr I MacBean Ms L Marshall Mrs F Williamson Cllr E MacDonald Cllr M Davidson Cllr J Home
Secretary	Mr D R R Graham
Registered Office	28 Queensgate Inverness IV1 1YN
Company Registration Number	SC200499
Charity Registration Number	SC021778
Bankers	The Royal Bank of Scotland plc 29 Harbour Road Inverness IV1 1NU
Solicitors	Messrs Macleod and MacCallum 28 Queensgate Inverness IV1 1YN
Auditors	Messrs Graeme M Fraser & Co Chartered Accountants & Registered Auditors Rosedene Business Centre Inverness IV2 4QW

THE SPECTRUM CENTRE
ANNUAL REPORT AND ACCOUNTS
For the year ended 31 March 2002

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THE SPECTRUM CENTRE

REPORT OF THE TRUSTEES

The trustees (directors) present their annual report and the accounts of the company for the year ended 31 March 2002

CONSTITUTION

The charity was formed as a company limited by guarantee on 4 October 1999 and the trustees confirm that the financial statements comply with current statutory requirements and with the charity's governing document.

TRUSTEES

Details of the trustees (directors) who served during the period of the accounts are as follows:

Mrs P Hayden	
Mrs E Black	(Resigned 09.10.01)
Mrs C Cane	
Mr S Cole-Hamilton	
Mr R Green	(Appointed 19.06.01)
Mrs F Larg	(Appointed 19.06.01)
Mr I MacBean	
Ms L Marshall	(Appointed 19.06.01)
Mrs F Williamson	
Cllr E MacDonald	
Cllr M Davidson	
Cllr J Home	

METHOD OF ELECTION OF TRUSTEES (DIRECTORS)

Trustees (directors) are appointed at the annual general meeting of the company provided they are recommended by the trustees (directors) or a notice proposing their appointment has been duly received by the company secretary.

OBJECTS AND ACTIVITIES

The objects of the charity, as set out in the Memorandum and Articles of Association are to provide, in the interests of social welfare, facilities for recreation or other leisuretime occupation, with the object of improving the conditions of life of the inhabitants of Inverness and the surrounding area and also to foster a community spirit for the achievement of these and other such objects as may by law be deemed to be charitable.



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THE SPECTRUM CENTRE
REPORT OF THE TRUSTEES
(contd.)

ORGANISATION

The charity operates from its premises in Margaret Street Inverness

REVIEW OF THE DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS DURING THE YEAR

Throughout the financial year of April 2001 to March 2002 the Board of Directors continued in negotiation with the Council to gain a formal Licence to Occupy. The Service Level Agreement, however, was never completed to the satisfaction of all parties and towards the end of the financial year negotiations turned away from a Licence to Occupy and is now moving in the direction of a full lease agreement.

During the year the Board negotiated a new insurance policy through the Highland Council and now have a better cover for the building than they had before.

Water sampling tests have been carried out, though the report of findings would have gone to the Council rather than the Board. A request has also been made for the Council to check the ventilation system of the spectrum and also to clean the water tank. To date neither of these requests has been actioned.

The Community Education worker continues to be based at another Centre. The Co-ordinator at the Spectrum continues to cover all day to day management issues. The Board of Directors now pay 50% of the Co-ordinator's salary. Both Stewards have been replaced in the financial year and further assistance has been sought, though with little effect to date. This further assistance has also been paid for by the Board.

The Café Franchise has been put on hold while discussions concerning a lease go on between Council representatives and the Board of Directors. Further discussions will take place during the 2002-03 financial year.

The Spectrum Centre continues to attract more business and the lets for 2001-02 were greater than previous years. The Centre has also looked at the possibility of developing into a full blown venue and the Highland Festival and Eden Court Theatre have both developed strong links over the year.

There has also been a major programme of upgrading within the Spectrum Centre. The downstairs toilets have been tiled and await painting. The entrance and the upstairs waiting area have both been painted as has one of the rooms. This work will be ongoing throughout 2002-03 as well.

THE SPECTRUM CENTRE
REPORT OF THE TRUSTEES
(contd.)

REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

On 1 April 2000 the Company took over the assets and liabilities of the Spectrum Centre (an Association). This amounted to net assets of £59,083. During the year the Company generated a surplus of £1,332 which added to the opening balance gives Net Assets of £84,145. Details of this appear in the Balance Sheet on page 7 of the Financial Statements.

FUTURE PLANS AND SUBSEQUENT EVENTS

The trustees (directors) are planning to continue the operation of the Spectrum Centre and an application is to be made for funding to assist with a feasibility study for future uses of the building.

TRUSTEES (DIRECTORS) RESPONSIBILITIES

Company law requires the directors of a charity (namely the trustees) to prepare accounts for each financial year that give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources for that period. In preparing these accounts the trustees (directors) are required to:

select suitable accounting policies and then apply them consistently

make judgements and estimates that are reasonable and prudent:

state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed in the accounts:

prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business

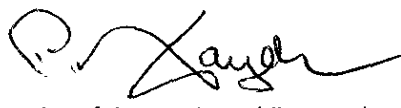
The trustees (directors) are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enables them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

THE SPECTRUM CENTRE
REPORT OF THE TRUSTEES
(contd.)

AUDITORS

The auditors Graeme M Fraser & Co will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

The report of the trustees (directors) has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

By order of the trustees (directors)

GRAEME M. FRASER & CO.



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THE SPECTRUM CENTRE

AUDITORS' REPORT

TO THE MEMBERS OF THE SPECTRUM CENTRE

We have audited the accounts on pages 6 to 10 which have been prepared under the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 3 the trustees, who are also directors of the charity for the purposes of company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

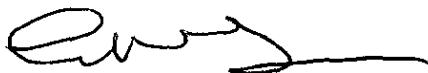
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the charity as at 31 March 2002 and of the incoming resources and application of resources, including the income and expenditure of the charity for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Graeme M Fraser & Co
Chartered Accountants and
Registered Auditors

Rosedene Business Centre
Drummond Crescent
Inverness
IV2 4QW



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THE SPECTRUM CENTRE
STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2002

		2002	2001
INCOMING RESOURCES	Note	GENERAL FUND £	GENERAL FUND £
Rents received		37,930	37,375
Deposit interest received		2,489	3,009
Donations		-	18
Rates refund		2,977	-
Miscellaneous income		2,815	964
TOTAL INCOMING RESOURCES	1	<u>46,211</u>	<u>41,366</u>
 RESOURCES EXPENDED			
Administration costs	2	36,986	16,943
Highland Council - rebate		7,000	-
Audit fee		893	693
TOTAL RESOURCES EXPENDED		<u>44,879</u>	<u>17,636</u>
NET INCOMING RESOURCES		1,332	23,730
FUND BALANCE AT 1 APRIL 2001		82,813	59,083
 FUND BALANCE AT 31 MARCH 2002		<u>84,145</u>	<u>82,813</u>

GRAEME M. FRASER & CO.



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THE SPECTRUM CENTRE

BALANCE SHEET

As at 31 March 2002

	Note	31.03.02 £	31.03.01 £
FIXED ASSETS	3	<u>8,577</u>	<u>10,366</u>
CURRENT ASSETS			
Stock		100	100
Debtors	4	4,380	5,996
Cash at bank and in hand	5	83,598	72,214
		<u>88,078</u>	<u>78,310</u>
CREDITORS			
Amounts falling due within one year	6	<u>12,510</u>	<u>5,863</u>
NET CURRENT ASSETS		75,568	72,447
NET ASSETS		<u>84,145</u>	<u>82,813</u>
GENERAL FUND		<u>84,145</u>	<u>82,813</u>

These financial statements were approved by the trustees (directors) on and signed on their behalf.

P. Xanger
F. M. Lang

THE SPECTRUM CENTRE
SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2002

Gross income	2002	2001
	£	£
Continuing operations	46,211	41,366
Total income	<u>46,211</u>	<u>41,366</u>
 Expenditure		
Continuing operations	44,879	17,636
Total expenditure	<u>44,879</u>	<u>17,636</u>
Total net income for the year	<u>1,332</u>	<u>23,730</u>

THE SPECTRUM CENTRE

NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting for Charities" and applicable accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

Resources arising - income

All income is recognised at the time of becoming due and payable.

Depreciation

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

Equipment fixtures and fittings 20 %

Stocks

Stocks are stated at the lower of cost or net realisable value.

2 ADMINISTRATION COSTS

	2002 £	2001 £
Honorarium	400	315
Co-ordinator's salary	8,741	-
Stewards	2,810	-
Heating, lighting and water	1,187	3,779
Rates	-	2,977
Insurance	1,062	113
Rentals	-	114
Maintenance	16,963	1,091
Cleaning materials	350	30
Catering	585	61
Telephone	627	370
Marketing	115	1,153
Printing and stationery	832	1,049
Subscriptions	596	801
Fees	254	1,956
Sundry expenses	270	444
Depreciation	2,144	2,592
Bad debt	50	98
	<u>36,986</u>	<u>16,943</u>

THE SPECTRUM CENTRE

NOTES TO THE ACCOUNTS

**For the year ended 31 March 2002
(contd.)**

3 TANGIBLE FIXED ASSETS

	Equipment Fixtures & Fittings £
COST	
As at 1 April 2001	12,958
Additions	355
As at 31 March 2002	<u>13,313</u>
DEPRECIATION	
As at 1 April 2001	2,592
Charge	2,144
As at 31 March 2002	<u>4,736</u>
NET BOOK VALUE	
As at 31 March 2002	<u>8,577</u>
As at 31 March 2001	<u>10,366</u>

The Tangible Fixed Assets were taken over from The Spectrum Centre (an Association) at the book value in the Association's Accounts at 31 March 2000.

	31.03.02 £	31.03.01 £
4 DEBTORS		
Trade	3,959	5,011
Prepaid charges	421	985
	<u>4,380</u>	<u>5,996</u>
5 CASH AT BANK AND ON HAND		
Bank deposit account	80,000	72,000
Bank current account	3,455	86
Cash on hand	143	128
	<u>83,598</u>	<u>72,214</u>
6 CREDITORS		
Accrued charges and deferred income	<u>12,510</u>	<u>5,863</u>