

Co!house

Scottish Charity Number: SC029530
Scottish Company Number: SC201042

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
COVE PARK
(limited by guarantee)

SATURDAY



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Cove Park

Introduction

Mission

To be a leading catalyst for new work and be an inspiration for new ways of working in the arts. To achieve this through residencies which promote creative exchange among artists, from Scotland and further afield, who represent all creative disciplines and all career stages.

Introduction from Peter and Eileen Jacobs

Our first thoughts on establishing a residency centre for artists were in 1995. We discovered that many countries, although not the UK, were home to excellent multi-disciplinary research and development facilities for the arts. It was clear how much these centres enhance artists' creativity and how ultimately this benefits the wider public.

Since 2000 we have welcomed to Cove Park over 1,300 artists from Scotland, the wider UK and abroad. Work made or developed here has been seen in galleries, theatres and other spaces across the country. The Scottish Arts Council and now Creative Scotland have believed in us since the beginning, as have the Jerwood Charitable Foundation and many other trusts and generous individuals to all of whom we would like to pay tribute.

We are excited to see Cove Park enter a new phase with a capital development plan (more details below) which will allow for the expansion of our programme of residencies and the public access initiatives that surround them. This coincides with the appointment of four new Patrons: we are delighted that author Margaret Atwood, Gerry Grimstone (Chairman of Standard Life), actor Derek Jacobi and 2012 Turner Prize-winner Elizabeth Price have agreed to lend their names and to help take Cove Park forward for the benefit of new generations of artists and the wider public. Lastly, we would like to acknowledge the support of Lord Stevenson who served as Patron since the beginning and has recently stood down.

We encounter amazing generosity and enthusiasm from those who come to Cove Park as residents, those who work for the organisation and those who contribute in so many ways to its continued success. We thank all of them.

Peter Jacobs, Chairman and Founder
Eileen Jacobs, Founder and Trustee

Acknowledgements

Many individuals and organisations make Cove Park's work possible. In 2012 they were Creative Scotland, the Jerwood Charitable Foundation, the Craignish Trust, the Henry Moore Foundation, the Esterson Trust, the Anglo-Daiwa Foundation, the G and E Pollitzer Charitable Settlement and the London Talks series. We are grateful to them all.

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Cove Park

Charity Information

Principal Address and Registered Office

Cove Park
Peaton Hill
Cove
Argyll & Bute
G84 0PE

Directors and Trustees

Peter A Jacobs
Eileen D Jacobs
Paul F Allen
Julian Forrester (*director only*)
Professor Seona Reid
John H Dover
Anthony McKee
Roanne Dods
Ruth Little

Company Secretary

Peter A Jacobs

Independent Auditors

Cook & Co.
Chartered Accountants
Baltic Chambers
50 Wellington Street
Glasgow
G2 6HJ

www.covepark.org

Cove Park

Report of the Trustees for the year ended 31 December 2012

The Trustees are pleased to present their Report together with the Consolidated Financial Statements for the year ended 31 December 2012.

Status of Charity and Governing Document

Cove Park ("the Charity") is a company limited by guarantee (No: SC201042, incorporated 26 October 1999) and is therefore governed by its Memorandum and Articles of Association. It is a registered Scottish charity, reference number: SC029530. The wholly owned subsidiary, Cove Park Enterprises Limited, is a company registered in Scotland (SC200626).

Directors and Trustees

The Directors from 1 January 2012 to the date of this Report were as follows:-

Peter A Jacobs
Eileen D Jacobs
Paul F Allen
Professor Seona Reid
John H Dover
Anthony P McKee
Julian Forrester (*director only*)
Roanne Dods
Ruth Little

Appointment of Trustees

New Trustees are appointed as and when required by the Charity's needs. Appointment is through a process of criteria that has been agreed upon by the current Trustees, and the period of appointment is in accordance with the Articles of Association. New trustees are provided with information which aims to familiarise them with the charity's values, aims and objectives, together with its day to day operations in addition to clarifying their statutory responsibilities as directors of a company limited by guarantee and trustees of a charity.

Administrative Structure

The trustees meet around three times throughout the year to discuss the operations of the charity, while the day-to-day running of the charity is delegated to Julian Forrester, with the support of the directors.

Statement of Risk

The Trustees continually review and assess the major strategic, operational and financial risks to which the Charity is exposed. From this review, the Trustees continue to update and establish procedures to mitigate those risks which are identified as a result. Main risks that have been identified are:

- Direction and Forward Planning of the Charity
- Control of Charity Assets
- Personnel
- Financial Management & Controls

For each of these risks, procedures have been put in place to mitigate and reduce the associated risk.

Cove Park

Report of the Trustees for the year ended 31 December 2012 (cont)

Charitable Objectives

The primary aims of the Charity are to advance the education of the public in all aspects of contemporary artistic practice by:

- providing residencies for individuals and collaborating groups which offer them the time, space and freedom to undertake significant research, to make new work and to find new ways of working.
- facilitating collaboration, the exchange of ideas and dialogue among resident artists.
- encouraging participation by the public in the process of making new work by means of events, workshops, special projects and public occasions.

Achievements and Performance

Highlights of 2012 Residencies and events

The Olympics and the Commonwealth.

A partnership with London's Cultural Olympiad and London's Southbank Centre involved three poets from the African Commonwealth combined with two African novelists, supported by Creative Scotland.

Jerwood Collaborative Residencies

A variety of one- or two-week residencies for collaborating groups in the performing arts in to make work for Edinburgh Fringe, Battersea Arts Centre and Sadlers Wells among others. This was funded by the Jerwood Charitable Foundation.

One-to-One

A new programme, piloted in 2012, designed to support artists working collaboratively. Following a call for applications, Cove Park awarded four one-week residencies to established visual artists and curators.

Chisenhale Gallery/CCA/Cove Park Partnership

A residency for a Mexican visual artist Mariana Castillo Deball which allows for a new body of work to be shown at both CCA and Chisenhale Gallery in London summer/autumn 2013. This was funded by the Henry Moore Foundation.

Scotland/Japan Exchange Programme

Scottish visual artists, Nick Evans and Mary Redmond, and craft curator Katy West, undertook six-week residencies at Arts Initiative Tokyo, Japan, the second part of a residency exchange. Funded by the Anglo-Daiwa Foundation.

Artists in Schools

An ongoing relationship with Argyll and Bute's secondary schools sent visual artists, makers and designers to the region's special needs schools in 2012. This was funded by the St James Place Foundation, the Moffat Trust and Argyll and Bute Council.

Fielding Programme

Mentored residencies for writers included "Freeing the Poets' Voice", a residency with international voice coach Kristin Linklater to enable poets to improve performance of their work. These residencies were funded by the participants.

Sea Change

A summer weekend of events on the theme of water, developed in co-operation with the Peninsula West Community Development Trust and featuring Jo Royle, the well-known ocean skipper and environmental activist.

Cove Park

Report of the Trustees for the year ended 31 December 2012 (cont)

London Talks

Cove Park's Founders continue to present *The London Talks* – a series of talks to raise awareness of Cove Park given by artists and those from a range of other professions. James Harding (former editor of *The Times*), and Jo Royle took part in 2012. Profits support a ceramics residency.

Future plans

Future Developments

Capital

In September 2012 Cove Park was awarded £25,000 from Creative Scotland's capital programme and £25,000 from the Esterson Charitable Trust to support the development stage of a new artists centre and an increase in the number of studios and accommodation. Architects CameronWebster are lead consultants and Cove Park Enterprises Limited the Principal Contractor. In the course of 2013 an application is to be made to Creative Scotland for £621,663 (which has been ring-fenced for this project) which represents one half of the construction costs. Matching funds are now sought from private sources to make this project a reality.

The current Centre was built in 1990 and is no longer fit for purpose. Not only does this detract from the quality of residencies, the configuration of the building also limits the potential for creative exchange that is the core of the Cove Park experience. The new build will address these issues and also provide for the first time space and resources through which the public can properly appreciate and share in the process of making new work. It will increase the number of artists we can accommodate from 10 to 12 thereby enabling a wider cross-section of creative activity to be represented during each residency.

Investing In Ideas

A Big Lottery Award is funding a series of residencies to mark 2013 the Year of Natural Scotland and which will highlight the relationship between art and nature. Taking inspiration from Cove Park's site in particular, the series features botanists, horticulturalists and landscape specialists as well as arts practitioners.

One to One

A new programme of residencies designed to bring established artists together to work one-to-one on the development of new ideas and collaborative projects.

Walking with Poets

A Year of Natural Scotland collaboration with the Scottish Poetry Library whereby poets will be in residence at Cove Park at the culmination of their journeys around Scotland.

Sea Change and Public Events

As in 2012, a summer weekend of events on the theme of water, developed in co-operation with our local Community Development Trust. We will also continue with our Open Days, Open Studio days and visits and our after school club for Kilcreggan Primary School.

Financial Review

The results comprise the consolidated accounts of Cove Park and its wholly owned subsidiary Cove Park Enterprises Limited. The results and balances of the subsidiary are included in the consolidated financial statements as unrestricted funds.

The consolidated gross income for the year was £206,186 with £23,416 coming from charitable activities. There was a consolidated net deficit for the year of £10,617, which comprises a surplus of £9,144 on the general fund, a deficit of £14,149 on the designated assets fund and a deficit of £5,612 on the restricted funds.

Cove Park

Report of the Trustees for the year ended 31 December 2012 (cont)

Financial Review (cont)

The financial statements show a consolidated position of reserves totalling £416,402. This represents the fixed assets of the charity (split between restricted and designated funds, Note 8), the general fund with a deficit of £87,353 and the restricted funds with a balance of £83,670. The trustees are fully aware of the deficit on the general fund and Cove Park has taken measures to bring the operating finances into balance. In 2011 we reported a surplus of £15,922 and in 2012 a deficit of £10,617 (which represented a surplus of £5,873 before depreciation). Initiatives that have contributed to these improved results over the past two years are: 1) increased earnings from rentals and additional funded projects; 2) reduction in expenditure by streamlining staff costs; 3) increasing efficiency in site maintenance and building services. Furthermore, ongoing funding from Creative Scotland (with whom Cove Park has a rolling two year contract), several trusts including the Jerwood Charitable Foundation and income earned from renting out the facilities, ensure that the year round programme of work can be developed and delivered.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its surplus or deficit for that period. In preparing these financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

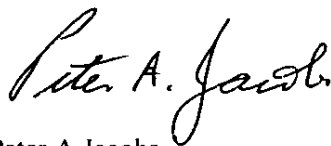
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006.

On behalf of the Trustees



Peter A Jacobs
Secretary

Date: 10 May 2013

Cove Park

Independent Auditors Report to the Trustees and Members of Cove Park

We have audited the financial statements of Cove Park for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's directors and members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available to Small Entities, in the circumstances set out in Note 20 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the charitable company's affairs as at 31 December 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Cove Park

Independent Auditors Report to the Trustees and Members of Cove Park (cont)

Emphasis of matter – Going Concern Basis

The financial statements have been prepared on a going concern basis, notwithstanding that the current liabilities exceed the current assets by £52,353. The company and its subsidiary are dependent upon the continued support of its bankers and a guarantee from director P Jacobs. The guarantor has indicated an intention to continue this support. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



Margaret Logan (Senior Statutory Auditor)

For and on behalf of Cook & Co. Statutory Auditor

Cook & Co. is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

14 May 2013

50 Wellington Street
Glasgow G2 6HJ

Cove Park

Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

for the year ended 31 December 2012

		Unrestricted Funds		Restricted	2012	2011
	Notes	General	Designated	Funds	Total	Total
		£	£	£	£	£
Incoming Resources						
From Generated Funds						
Gifts, donations and grants		8,549	-	174,221	182,770	250,821
From Charitable Activities						
Portfolio sales		1,600	-	-	1,600	840
Rental income		21,816	-	-	21,816	28,889
From Investment Income						
Bank interest		-	-	-	-	1
Total Incoming Resources		31,965	-	174,221	206,186	280,551
Resources Expended						
Charitable Expenditure						
Charitable Activities	2	10,978	-	177,736	188,714	232,833
Governance Costs	6	11,599	-	-	11,599	13,200
Other Resources Expended	7	-	14,393	2,097	16,490	18,596
Total resources expended		22,577	14,393	179,833	216,803	264,629
(Deficit)/ surplus for the year and net (outgoing)/incoming resources before transfers and exceptional items		9,388	(14,393)	(5,612)	(10,617)	15,922
Transfers	15	(244)	244	-	-	-
Net movement in funds for the year		9,144	(14,149)	(5,612)	(10,617)	15,922
Balance brought forward at 1 January 2012		(96,497)	434,234	89,282	427,019	411,097
Closing balance at 31 December 2012		(87,353)	420,085	83,670	416,402	427,019
Comprising:-						
Unrestricted Funds						
General	12	(87,353)	-	-	(87,353)	(96,497)
Designated Assets	12	-	385,085	-	385,085	399,234
Designated Capital Project	12	-	35,000	-	35,000	35,000
Restricted Funds	13	-	-	83,670	83,670	89,282
		(87,353)	420,085	83,670	416,402	427,019

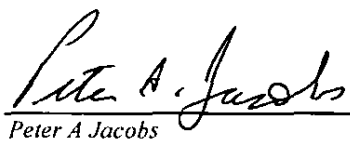
The notes on pages 13 to 20 form part of these financial statements.

Cove Park (Registered Number: SC201042)
Consolidated Balance Sheet as at 31 December 2012

	Notes	2012 £	2011 £
Fixed Assets			
Tangible assets	8	468,755	485,002
		<u>468,755</u>	<u>485,002</u>
Current Assets			
Stocks		10,698	10,976
Debtors	10	7,332	13,656
Cash at bank and in hand		9,058	621
		<u>27,088</u>	<u>25,253</u>
Creditors: Amounts falling due within one year	11	<u>79,441</u>	<u>83,236</u>
Net Current Liabilities		(52,353)	(57,983)
Total Assets less Current Liabilities		<u>416,402</u>	<u>427,019</u>
Net Assets		<u><u>416,402</u></u>	<u><u>427,019</u></u>
Represented by:			
Unrestricted Funds			
General	12	(87,353)	(96,497)
Designated	12	420,085	434,234
Restricted Funds	13	83,670	89,282
		<u><u>416,402</u></u>	<u><u>427,019</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

On behalf of the Board


Peter A Jacobs

Approved by the Board on 10 May 2013

The notes on pages 13 to 20 form part of these financial statements.

Cove Park

Statement of Financial Activities - Company (Incorporating Income and Expenditure Account)

for the year ended 31 December 2012

		Unrestricted Funds		Restricted	2012	2011
	Notes	General	Designated	Funds	Total	Total
		£	£	£	£	£
Incoming Resources						
<i>From Generated Funds</i>						
Gifts, donations and grants		8,549	-	174,221	182,770	250,821
<i>From Charitable Activities</i>						
Rental income		21,816	-	-	21,816	28,889
<i>From Investment Income</i>						
Bank interest		-	-	-	-	1
Total Incoming Resources		30,365	-	174,221	204,586	279,711
Resources Expended						
<i>Charitable Expenditure</i>						
Charitable Activities		10,185	-	177,736	187,921	232,580
Governance Costs		11,464	-	-	11,464	12,139
Other Resources Expended	7	-	14,393	2,097	16,490	18,404
Total resources expended		21,649	14,393	179,833	215,875	263,123
(Deficit)/Surplus for the year and net (outgoing)/incoming resources before transfers and exceptional items		8,716	(14,393)	(5,612)	(11,289)	16,588
Transfers	15	(244)	244	-	-	-
Net movement in funds for the year		8,472	(14,149)	(5,612)	(11,289)	16,588
Balance brought forward at 1 January 2012		(82,598)	434,234	89,282	440,918	424,330
Closing balance at 31 December 2012		(74,126)	420,085	83,670	429,629	440,918
Comprising:-						
<i>Unrestricted Funds</i>						
General	12	(74,126)	-	-	(74,126)	(82,598)
Designated Assets	12	-	385,085	-	385,085	399,234
Designated Capital Project	12	-	35,000	-	35,000	35,000
<i>Restricted Funds</i>	13	-	-	83,670	83,670	89,282
		(74,126)	420,085	83,670	429,629	440,918

The notes on pages 13 to 20 form part of these financial statements.

Cove Park (Registered Number: SC201042)**Company Balance Sheet at 31 December 2012**

	Notes	2012	2011
		£	£
Fixed Assets			
Tangible assets	8	468,755	485,002
Investments	9	1	1
		<u>468,756</u>	<u>485,003</u>
Current Assets			
Debtors	10	3,151	13,652
Cash at bank and in hand		9,058	617
		<u>12,209</u>	<u>14,269</u>
Creditors: Amounts falling due within one year	11	<u>51,336</u>	<u>58,354</u>
Net Current Liabilities		(39,127)	(44,085)
Total Assets less Current Liabilities		<u>429,629</u>	<u>440,918</u>
Net Assets		<u><u>429,629</u></u>	<u><u>440,918</u></u>
Represented by:			
Unrestricted Funds			
General	12	(74,126)	(82,598)
Designated	12	420,085	434,234
Restricted Funds	13	83,670	89,282
		<u><u>429,629</u></u>	<u><u>440,918</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

On behalf of the Board


Peter A Jacobs

Approved by the Board on 10 May 2013

The notes on pages 13 to 20 form part of these financial statements.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

1. Accounting Policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice Accounting and Reporting by Charities (revised 2005).

Basis of consolidation

The consolidated financial statements comprise the audited financial statements of the company and its subsidiary undertaking made up to 31 December 2012. The subsidiary is accounted for using acquisition accounting. No goodwill arose on the acquisition of the subsidiary undertaking.

Cashflow statement

The charity has taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to produce a cashflow statement as it qualifies as a small company.

Going Concern

At the balance sheet date the charity had a deficit on its general fund of £87,352. The directors have carried out a review of the charity, prepared future cash flows and consider that the charity will be able to operate within its agreed facility limits.

Incoming resources

Income from donations and grants, including capital grants, is included in the financial statements as receivable except as follows:-

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, be for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Interest receivable

Interest is included when receivable by the charity.

Expenditure

Expenditure is accounted for on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

1. Accounting Policies (*continued*)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Buildings	-	2% on cost
Leasehold property improvements	-	10% on cost
Computer equipment	-	15% on cost
Fixtures & fittings	-	15% on cost
Plant & machinery	-	20% on cost
Motor vehicles	-	25% on cost

Statement of Financial Activities

For the purpose of the Statement of Financial Activities as shown on pages 8 and 10, funds are defined as follows:

Unrestricted funds comprise grants and other income received for the objects of the charity without further specified purpose and are available as general funds.

Designated funds represent unrestricted funds that have been earmarked by the directors for particular purposes.

Restricted funds comprise grants, donations and other income received for spending on specified purposes as laid down by the donors.

Gifted Assets

All receipts of fixed assets by way of gift are capitalised and included in the balance sheet. The market value of the gifted asset is credited to the unrestricted designated fund, against which depreciation is charged in accordance with the relevant accounting policy.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

2. Charitable Activities

Activity	Staff Costs £	Programme Costs £	Support Costs £	2012 Total £	2011 Total £
Advancement of education of public in all aspects of contemporary art.	-	186,261	2,453	188,714	232,833
	-	186,261	2,453	188,714	232,833
	(Note 3)	(Note 4)	(Note 5)		

Of which

Relating to unrestricted funds	-	8,772	2,206	10,978	3,970
Relating to designated funds	-	-	-	-	-
Relating to restricted funds	-	177,489	247	177,736	228,863

3. Staff Costs

	2012 £	2011 £
Gross salaries	-	15,972
Employer's NIC	-	469
	<u>-</u>	<u>16,441</u>
Allocated as follows:		
Charitable activities	-	14,797
Governance costs	-	1,644
	<u>-</u>	<u>16,441</u>

The average number of employees was nil (2011 - 2).

No employee received remuneration of £60,000 or more.

One director received remuneration in his role as centre director, no other director received remuneration.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

4. Programme costs

Included within Charitable Activities are various expenses incurred which contribute to the overall principal activity of the charity. The total of these costs are split across the funds as per Note 2 of the financial statements. Such costs include the direct costs of the charitable activities which enable these activities to be undertaken.

5. Support Costs

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	2012	2011
	General	Designat.		Total	Total
	£	£	£	£	£
Board member expenses	-	-	-	-	2,721
Sundries	308	-	247	555	348
Bank charges	827	-	-	827	1,852
Bank interest	1,071	-	-	1,071	1,095
	2,206	-	247	2,453	6,016
<i>Relating to Cove Park</i>	1,898	-	247	2,145	5,847

6. Governance Costs

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	2012	2011
	General	Designat.		Total	Total
	£	£	£	£	£
Audit and accountancy fees	7,515	-	-	7,515	8,936
Professional fees	381	-	-	381	750
Centre Director's fees	3,703	-	-	3,703	3,514
	11,599	-	-	11,599	13,200
<i>Relating to Cove Park</i>	11,464	-	-	11,464	12,870

7. Other Resources Expended

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	2012	2011
	General	Designat.		Total	Total
	£	£	£	£	£
Depreciation	-	14,393	2,097	16,490	18,404
Taxation	-	-	-	-	52
Taxation under provision in prior year	-	-	-	-	140
	-	14,393	2,097	16,490	18,596
<i>Relating to Cove Park</i>	-	14,393	2,097	16,490	18,404

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

8. Tangible Fixed Assets

	Leasehold buildings	Property Improv.	Computer Equipment	Fixtures & Fittings	Plant & Machinery	Motor Vehicles	Total
Cost	£	£	£	£	£	£	£
As at 1 January 2012	547,805	60,801	27,242	17,469	4,783	17,750	675,850
Additions	-	-	-	243	-	-	243
At 31 December 2012	<u>547,805</u>	<u>60,801</u>	<u>27,242</u>	<u>17,712</u>	<u>4,783</u>	<u>17,750</u>	<u>676,093</u>
Depreciation							
As at 1 January 2012	85,027	50,941	20,161	13,840	4,783	16,096	190,848
Charge for year	10,956	2,785	1,307	822	-	620	16,490
At 31 December 2012	<u>95,983</u>	<u>53,726</u>	<u>21,468</u>	<u>14,662</u>	<u>4,783</u>	<u>16,716</u>	<u>207,338</u>
Net Book Value							
At 31 December 2012	<u>451,822</u>	<u>7,075</u>	<u>5,774</u>	<u>3,050</u>	<u>-</u>	<u>1,034</u>	<u>468,755</u>
At 31 December 2011	<u>462,778</u>	<u>9,860</u>	<u>7,081</u>	<u>3,629</u>	<u>-</u>	<u>1,654</u>	<u>485,002</u>
Split by fund:-							
Restricted							83,670
Designated assets							385,085
All relating to Cove Park							<u>468,755</u>

9. Fixed Asset Investments

	2012	2011
	£	£
Shares in group undertakings	<u>1</u>	<u>1</u>

The company's investment at the Balance Sheet date consists of the share capital of the following:-

Cove Park Enterprises Limited

Nature of business: Management and sale of various portfolios of artworks.

Class of shares:	% holding
Ordinary	100

	2012	2011
	£	£
Aggregate capital and reserves	(13,226)	(13,898)
Profit for the year	<u>672</u>	<u>65</u>

During the year Cove Park paid expenses totalling £nil (2011: £2,156) on behalf of Cove Park Enterprises Limited and received income of £nil (2011: £840) for Cove Park Enterprises Limited. At 31 December 2012 Cove Park owed £3,364 (2011: £3,364) to Cove Park Enterprises Limited.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

10. Debtors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Prepayments and accrued income	7,174	13,652	3,151	13,652
VAT	158	4	-	-
	<u>7,332</u>	<u>13,656</u>	<u>3,151</u>	<u>13,652</u>

11. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	52,187	44,346	22,248	18,171
Amount due to group undertaking	-	-	3,364	3,364
Accrued expenses and deferred income	27,202	38,838	25,724	36,819
Corporation Tax	52	52	-	-
	<u>79,441</u>	<u>83,236</u>	<u>51,336</u>	<u>58,354</u>

The bank has a guarantee granted by Peter A Jacobs for £130,000 and an inter company guarantee between Cove Park and Cove Park Enterprises Limited.

12. Unrestricted funds

	Balance at 01.01.12	Incoming Resources	Outgoing Resources	Transfers	Balance at 31.12.12
	£	£	£	£	£
General fund	<u>(96,497)</u>	<u>31,965</u>	<u>(22,577)</u>	<u>(244)</u>	<u>(87,353)</u>
Designated funds					
Designated assets fund	399,234	-	(14,393)	244	385,085
Designated capital project fund	35,000	-	-	-	35,000
	<u>434,234</u>	<u>-</u>	<u>(14,393)</u>	<u>244</u>	<u>420,085</u>
Total unrestricted funds	<u><u>337,737</u></u>	<u><u>31,965</u></u>	<u><u>(36,970)</u></u>	<u><u>-</u></u>	<u><u>332,732</u></u>

The unrestricted funds are held for the following purposes:-

General Fund - to support the general activities of the charity.

Designated Assets Fund - The net book value of the charity's assets, distinguishing their value from unrestricted general funds immediately available for use.

Designated Capital Project Fund - funds set aside for development of the site.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

13. Restricted funds	Balance at 01.01.12 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31.12.12 £
Creative Scotland	3,514	141,261	(144,775)	-	-
Artists in Schools	-	1,960	(1,960)	-	-
Jerwood	-	20,000	(20,000)	-	-
Craignish Trust	-	5,000	(5,000)	-	-
Cubes	85,608	-	(1,938)	-	83,670
Restricted Assets	160	-	(160)	-	-
Total restricted funds	89,282	174,221	(179,833)	-	83,670

The various funds are held for the following purposes:

Creative Scotland - Support for the residency programme as a whole.

Artists in Schools - a programme for secondary school students in Argyll and Bute funded by St James Place Foundation and the Robertson Trust.

Jerwood - a series of one-week, two-week and one-month residences for UK-based performing artists and companies.

Craignish Trust - support for residencies in ceramics funded by the Craignish Trust.

Cubes - the net book value of the charity's restricted assets relating to the cubes.

Restricted Assets - the net book value of the charity's restricted assets.

14. Analysis of Net Assets by Funds

	<i>Unrestricted</i>		<i>Restricted</i>	Total
	General	Designated		
	£	£	£	£
Fixed Assets	-	385,085	83,670	468,755
Current Assets				
Stocks	10,698	-	-	10,698
Debtors	7,332	-	-	7,332
Cash at bank and in hand	(25,942)	35,000	-	9,058
Creditors < 1 year	(79,441)	-	-	(79,441)
Net Assets	(87,353)	420,085	83,670	416,402

Cove Park

Notes to the Financial Statements for the year ended 31 December 2012

15. Fund Transfers

	Unrestricted		Restricted
	General	Designated	
	£	£	£
General funds used to purchase fixed assets	(244)	244	-
	<u>(244)</u>	<u>244</u>	<u>-</u>

16. Directors' Expenses & Related Parties

The directors received the following reimbursements during the year.

	No. of Directors	2012 £	2011 £
Travel expenses	2	1,015	2,721
		<u>1,015</u>	<u>2,721</u>

Directors P & E Jacobs make a contribution to the charity of an amount approximately equal to the expenses reimbursed. These amounts are contained within the heading of gifts, donations and grants.

P & E Jacobs made further donations in the year amounting to £570 (2011: £3,525).

Also included within donations is £600 received from director, Professor Seona Reid (2011: £600).

At the end of the year Cove Park owed Cove Park Enterprises Limited £3,364. (2011: £3,364).

During the year Director J Forrester received fees of £37,034 (2011: £35,137) for his services as centre director and was reimbursed for travel expenses amounting to £1,015. (2011: £nil).

17. Liability of Members

The charity is limited by guarantee, with the liability of each member limited to £1. The number of members at 31 December was 5 (2011 - 5).

18. Deficit

The deficit is stated after charging:

	2012 £	2011 £
Depreciation - owned assets	16,490	18,401
Audit & accountancy fees	<u>7,515</u>	<u>8,935</u>
Directors' remuneration	<u>-</u>	<u>-</u>

19. Taxation

No liability to UK Corporation Tax arises in light of the company's charitable status. Cove Park Enterprises Limited had no liability to UK Corporation Tax at 31 December 2012 (2011 - £52). This is shown within the consolidated accounts within Other Resources Expended. (Note 7)

20. APB Ethical Standard - Provisions Available for Smaller Entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and with the preparation of the financial statements. We also use our auditors for payroll purposes and for the preparation of monthly management accounts.