

Scottish Charity Number: SC029530
Scottish Company Number: SC201042

Cove Park

(limited by guarantee)

Consolidated Financial Statements *Year ended 31 December 2008*

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Cove Park

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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
Dr Alexia Holt (*director only*)
Professor Seona Reid
John H Dover
Nicholas P G Saphir

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 2008

The Trustees are pleased to present their Report together with the Consolidated Financial Statements for the year ended 31 December 2008.

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 2008 to the date of this Report were as follows:-

Peter A Jacobs
Eileen D Jacobs
Paul F Allen
Katrina Brown (*resigned 6/08/08*)
Dr Alexia Holt
Professor Seona Reid
Professor Ewan Brown CBE (*resigned 4/03/09*)
John H Dover
Nicholas P G Saphir

All of the above are also trustees of the charity, with the exception of Dr Alexia Holt.

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 Dr Alexia Holt, with the support of the other 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 2008 (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 individuals with time, space and freedom to undertake significant research, develop their practice/(s) and ideas, or produce new work;
- providing an annual programme of residencies and activity to facilitate collaboration, exchange, networking and dialogue between individuals and across art forms including individuals working in the arts, including visual arts, performance creative and critical writing, music, theatre, film and video, photography and crafts, and creative industries including the fields of design, architecture, media, communications and digital technology,
- working in partnership with key individuals and organisations within Scotland, the UK and abroad, to ensure Cove Park maintains an international role and profile;
- ensuring that Cove Park continues to develop, engage and involve a breadth of audiences in its activities including practitioners and the broader public; and
- ensuring that Cove Park remains a site of outstanding natural beauty.

Achievements and Performance

In 2008 Cove Park supported 72 national and international artists during a programme that began in April and ended in December of that year. Residencies of between one week and six months were awarded to emerging and established artists working in the visual and performing arts, crafts, design, literature, music and critical writing.

Enabling leading artists to undertake significant research and develop ambitious new projects, Cove Park's 2008 residency programme was complemented by a series of professional and public events that allowed a broad public to see and experience the work being produced on site and to meet the artists. This aspect of our programme was enhanced significantly in 2008 through the development of two conferences, devised by the artists, which focussed on specific themes within contemporary practice. Readings, performances, recitals and Open Studios events all contributed to the variety of public programme presented by Cove Park during the year.

Cove Park's innovative Artists in Schools education programme entered its fifth year in 2008. Visual artists, and former Cove Park residents, devised imaginative new projects for students in the region's secondary schools (students who, given the geographical challenges of Argyll and Bute, have few opportunities to see contemporary art or to work alongside professional artists). This programme is a vital means of providing professional opportunities for artists and making Cove Park accessible to young people in Scotland.

Scottish Arts Council Residencies

The Scottish Arts Council (SAC) increased its support in 2008 to enable Cove Park to award five three month residencies in crafts, literature and the visual arts and, for the first time, two six-week residencies. The six-week residencies enabled Cove Park to support Scottish artists in the fields of creative and critical writing and the visual arts.

Henry Moore Fellowship

Cove Park awarded its first six-month Henry Moore Fellowship to the acclaimed Mexican visual artist Abraham Cruzvillegas. Developed in partnership with Glasgow's Centre for Contemporary Art (CCA), this residency enabled the artist to produce a new body of work which was shown in a major solo exhibition at the CCA in September 2008. The catalogue, '*Autoconstrucción*', was also produced.

Cove Park

Report of the Trustees for the year ended 31 December 2008 (cont)

Achievements and Performance (*continued*)

Visual Arts Creative Development

The Esmée Fairbairn Foundation funded the second year of a major new four-year programme: Visual Arts Creative Development. Six six-week residencies were awarded to five established visual artists and one critical writer/curator. This programme is unique in the UK and provides a focus not only for individual research and the development of new projects, but also for a programme of talks, studio visits and presentations that act as a platform for discussion and exchange among participating artists.

Jerwood Residencies

With support from the Jerwood Charitable Foundation, Cove Park created valuable one and two-week residencies for leading UK theatre producers, directors, playwrights, choreographers and theatre companies. This programme included Irina Brown, Stephen Brown, Creased, Graham Eatough, Fuel, Liz Lea, Dominique Le Gendre, Joana Seguro and Theatre 503.

Poet to Poet Translation

Cove Park's Poet to Poet Translation programme entered its fourth year in 2008. With support from Colmcille, Hi Arts and the Golsoncott Foundation, Cove Park created five one-week residencies involving Irish and Scottish Gaelic writers.

Music

In 2008, Cove Park developed two new commissions: the first was a collaboration between UK composer Larry Goves and Psappha ensemble; the second a collaboration between Armenian composer Stepan Rostomyan and Paragon ensemble. Rostomyan's piece will premiere at the Huddersfield Contemporary Music Festival in 2009 and will then be performed at Armenian Perspectives XXI, Yerevan.

Jewellery and Silversmithing Residency

The third Jewellery and Silversmithing residency was awarded to the UK-based Taiwanese silversmith Chien-Wei Chang.

Argyll and Bute Residencies and Artists in Schools

Cove Park is one of only a small number of contemporary arts organisations based in Argyll and Bute. This, coupled with the challenges presented by the geography of the region, means that the local community has few opportunities to engage directly with contemporary art. The ongoing development of our public programme, the Argyll and Bute Residencies (aimed at artists based in the region) and the Artists in Schools programme, are all key ways in which Cove Park can help to address this lack of provision and create opportunities for a wide audience to engage with our programme.

The Emerging Artists Programme

With support for the first time from the Foyle Foundation, Cove Park was able to develop significantly its support of emerging artists and to enhance the former Springboard programme of residencies. In 2008, we awarded six residencies not only to visual artists and makers, but also to promising composers and musicians.

Cove Park

Report of the Trustees for the year ended 31 December 2007 (cont)

Achievements and Performance (*continued*)

Other Projects and Developments

Building upon the success of the first Cove Park Commission in 2007 (awarded to the internationally acclaimed visual artist Simon Starling), Cove Park invited the visual artist Graham Gussin in 2008 to develop a new project for Cove Park. Research towards this project, which will enable the development of new work produced in response to and for the Cove Park site, began in 2008 and led in the same year to a Henry Moore Foundation (New Commissions and Projects) Award for 2009.

Throughout the year, Cove Park also worked in partnership with a number of leading national arts organisations, helping to facilitate a broad range of projects: Edinburgh College of Art, Glasgow School of Art and Glasgow University (Department of Theatre, Film and Television). We also worked with the artists Ilana Halperin and Douglas Gordon on projects where Cove Park provided the facilities and site for the development of new work.

In February 2008 Cove Park appointed its first full-time General Manager. This vital post has enhanced significantly the day-to-day management of Cove Park and has improved the experience of all artists and visitors involved in our programme.

In addition to the funders named above, Cove Park wishes to thank the following trusts, organisations and individuals who supported the artistic programme in 2008:

Argyll and Bute Council
The Andor Charitable Trust
The E & C Brown Charitable Trust
The Craignish Trust
The J & S Dover Charitable Trust
The Ernest Cook Trust
The Esterson Trust
The Friends and Associates of Cove Park
The Goldsmiths Company, London
The Golsoncott Foundation
The Hinrichsen Foundation
The Holst Charitable Foundation
The Inches Carr Trust
The John Liston Charitable Trust
The JN Marshall (Island of Bute) Memorial Trust
The Moffat Charitable Trust
The Radcliffe Trust
The Scottish Goldsmiths Trust

We are pleased to have attracted new support in 2008 from several leading UK Trusts and Foundations and hope to continue to work with these organisations in the future. In 2008 we also launched a new scheme, under the title of Cove Park Associates, through which former residents can support the development of our programme. We appreciate this support enormously.

Future plans

Our ambition is to continue to build upon the success of the programme to date and to develop new ways of supporting the development of contemporary artistic practice. The SAC awarded Cove Park Flexible Funding in 2008 and this increased level of support, committed for the first time for two years, will benefit our 2009 programme significantly.

Cove Park

Report of the Trustees for the year ended 31 December 2008 (cont)

Future plans (continued)

From 2009, we hope to expand our international programme. Awards made in 2008 from both the Daiwa Anglo-Japanese Foundation and the Sasakawa Foundation will enable a research visit to Japan in 2009 to develop a new visual arts residency exchange programme for 2010 and 2011.

Our ability to develop the programme, within a challenging financial context, hinges upon the success of our long term fundraising strategy: both via maintaining and developing our existing partnerships and by seeking new sources of income. In 2008 Cove Park was awarded an Organisational Development Award from the Scottish Arts Council. This award has enabled Cove Park to appoint for one year in 2009 Roanne Dods (formerly Director of the Jerwood Charitable Foundation) as a consultant with the specific brief to develop voluntary support for Cove Park and which is intended to result in an increase in private giving of all kinds.

Cove Park will also continue to develop plans for a major capital programme. This involves the development of a new building which will replace the existing Centre and be commensurate with the aims, scale and ambition of our current and future artistic programme, and, in particular, to fully exploit the potential of our education and community programmes.

We will also look forward to 2010 and the ways in which Cove Park can celebrate ten years of its residency programme. For this year we plan a series of events that will celebrate not only the work achieved to date by Cove Park, but also the work produced and developed by artists of international standing as a direct result of their residencies.

Financial Review

For the second year, 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 £348,356, with £17,599 coming from charitable activities. There was a consolidated net deficit for the year of £4,032, however this is cushioned by the profitable sale of portfolio works through Cove Park Enterprises Limited during the year, the results of Cove Park Enterprises Limited contributing a net profit of £3,976 to the overall result.

The financial statements show a consolidated position of reserves totalling £485,763. This represents the fixed assets of the charity (as split between restricted and designated funds, Note 8) together with a designated £120,000 reserve for ongoing maintenance and supporting the overdrawn general fund which is in deficit by £101,016. The trustees are fully aware of this deficit which is covered by the £120,000 reserve and are monitoring the situation on a day-to-day basis. They will also be actively involved in the work of Roanne Dods and the organisational development of Cove Park, specifically where it concerns increasing both earned and contributed income.

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.

Cove Park

Report of the Trustees for the year ended 31 December 2008 (cont)

Statement of Directors' Responsibilities (continued)

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 1985. 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.

Statement as to Disclosure of Information to Auditors

So far as the directors as aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charity's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Cook & Co, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Trustees



Peter A Jacobs
Secretary

Date: 30 June 2009

Cove Park

Report of the Independent Auditors to the members of Cove Park for the year ended 31 December 2008

We have audited the financial statements of Cove Park and its subsidiary company for the year ended 31 December 2008 on pages 10 to 21 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Members as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

As described on pages 6 and 7, the Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit. We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 directors 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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of presentation of information in the financial statements.

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

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 December 2008 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.


Cove Park

Report of the Independent Auditors to the members of Cove Park *for the year ended 31 December 2008*

Emphasis of matter - Going Concern Basis

The financial statements have been prepared on a going concern basis, notwithstanding that its current liabilities exceed its current assets by £41,492. The company is dependent upon the continued support of its bankers and the guarantee disclosed in Note 11. 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.

In our opinion, the information given in the Report of the Directors is consistent with the financial statements.



Cook & Co.
Chartered Accountants & Registered Auditors
50 Wellington Street, Glasgow G2 6HJ

30 June 2009

Cove Park

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

for the year ended 31 December 2008

		Unrestricted Funds		Restricted	2008	2007
	Notes	General	Designated	Funds	Total	Total
		£	£	£	£	£
Incoming Resources						
From Generated Funds						
Gifts, donations and grants		112,275	-	218,061	330,336	260,856
From Charitable Activities						
Portfolio sales		9,109	-	-	9,109	48,929
Rental income		8,490	-	-	8,490	8,579
From Investment Income						
Bank interest		421	-	-	421	5,646
Total Incoming Resources		130,295	-	218,061	348,356	324,010
Resources Expended						
Charitable Expenditure						
Charitable Activities	2	95,541	-	220,331	315,872	292,550
Governance Costs	6	11,722	-	-	11,722	13,883
Other Resources Expended	7	-	18,436	6,358	24,794	24,873
Total resources expended		107,263	18,436	226,689	352,388	331,306
(Deficit)/surplus for the year and net (outgoing)/incoming resources before transfers and exceptional items		23,032	(18,436)	(8,628)	(4,032)	(7,296)
Transfers	15	(25,359)	4,923	20,436	-	-
Net movement in funds for the year		(2,327)	(13,513)	11,808	(4,032)	(7,296)
Balance brought forward at 1 January 2008		(98,689)	480,323	108,161	489,795	497,091
Closing balance at 31 December 2008		(101,016)	466,810	119,969	485,763	489,795
Comprising:-						
Unrestricted Funds						
General	13	(101,016)	-	-	(101,016)	(98,689)
Designated Assets	13	-	466,810	-	466,810	480,323
Restricted Funds						
	13	-	-	119,969	119,969	108,161
		(101,016)	466,810	119,969	485,763	489,795

The notes on pages 14 to 21 form part of these financial statements.

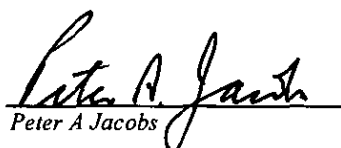
Cove Park

Consolidated Balance Sheet at 31 December 2008

	Notes	2008	2007
		£	£
Fixed Assets			
Tangible assets	8	527,255	552,051
		<u>527,255</u>	<u>552,051</u>
Current Assets			
Stocks		11,552	11,552
Debtors	10	-	20,352
Cash at bank and in hand		651	42,339
		<u>12,203</u>	<u>74,243</u>
Creditors: Amounts falling due within one year	11	<u>53,695</u>	<u>52,932</u>
Net Current (Liabilities)/Assets		(41,492)	21,311
Total Assets less Current Liabilities		<u>485,763</u>	<u>573,362</u>
Creditors: Amounts falling due more than one year	12	-	83,567
Net Assets		<u><u>485,763</u></u>	<u><u>489,795</u></u>
Represented by:			
Unrestricted Funds			
General	13	(101,016)	(98,689)
Designated	13	466,810	480,323
Restricted Funds	13	119,969	108,161
		<u><u>485,763</u></u>	<u><u>489,795</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

On behalf of the Board


Peter A Jacobs

Approved by the Board on 30 June 2009

The notes on pages 14 to 21 form part of these financial statements.

Cove Park

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

for the year ended 31 December 2008

		Unrestricted Funds		Restricted	2008	2007
	Notes	General	Designated	Funds	Total	Total
		£	£	£	£	£
Incoming Resources						
From Generated Funds						
Gifts, donations and grants		116,250	-	218,061	334,311	288,483
From Charitable Activities						
Rental income		8,490	-	-	8,490	8,579
From Investment Income						
Bank interest		421	-	-	421	5,646
Total Incoming Resources		125,161	-	218,061	343,222	302,708
Resources Expended						
Charitable Expenditure						
Charitable Activities		91,538	-	216,396	307,934	278,841
Governance Costs		14,527	-	-	14,527	6,291
Other Resources Expended		-	18,436	6,358	24,794	24,873
Total resources expended		106,065	18,436	222,754	347,255	310,005
(Deficit)/surplus for the year and net (outgoing)/incoming resources before transfers and exceptional items		19,096	(18,436)	(4,693)	(4,033)	(7,297)
Transfers	15	(25,359)	4,923	20,436	-	-
Net movement in funds for the year		(6,263)	(13,513)	15,743	(4,033)	(7,297)
Balance brought forward at 1 January 2008		(84,058)	480,323	108,162	504,427	511,724
Closing balance at 31 December 2008		(90,321)	466,810	123,905	500,394	504,427
Comprising:-						
Unrestricted Funds						
General	13	(90,321)	-	-	(90,321)	(84,057)
Designated Assets	13	-	466,810	-	466,810	480,323
Restricted Funds	13	-	-	123,905	123,905	108,161
		(90,321)	466,810	123,905	500,394	504,427

The notes on pages 14 to 21 form part of these financial statements.

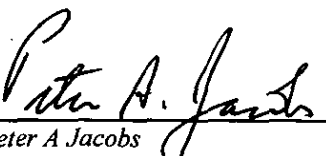
Cove Park

Company Balance Sheet at 31 December 2008

	Notes	2008	2007
		£	£
Fixed Assets			
Tangible assets	8	527,255	552,051
Investments	9	1	1
		<u>527,256</u>	<u>552,052</u>
Current Assets			
Debtors	10	-	18,773
Cash at bank and in hand		651	42,339
		<u>651</u>	<u>61,112</u>
Creditors: Amounts falling due within one year	11	<u>27,513</u>	<u>25,170</u>
Net Current (Liabilities)/Assets		(26,862)	35,942
Total Assets less Current Liabilities		<u>500,394</u>	<u>587,994</u>
Creditors: Amounts falling due more than one year	12	-	83,567
Net Assets		<u><u>500,394</u></u>	<u><u>504,427</u></u>
Represented by:			
Unrestricted Funds			
General	13	(90,321)	(84,057)
Designated	13	466,810	480,323
Restricted Funds	13	123,905	108,161
		<u><u>500,394</u></u>	<u><u>504,427</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

On behalf of the Board


Peter A Jacobs

Approved by the Board on 30 June 2009

The notes on pages 14 to 21 form part of these financial statements.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2008

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 January 2007) 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 2008. 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.

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.

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

Cove Park

Notes to the Financial Statements for the year ended 31 December 2008

1. Accounting Policies *(continued)*

Statement of Financial Activities

For the purpose of the Statement of Financial Activities as shown on page 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 2008

2. Charitable Activities

Activity	Staff Costs £	Programme Costs £	Support Costs £	2008 Total £	2007 Total £
Advancement of education of public in all aspects of contemporary art.	35,418	266,218	14,236	315,872	292,550
	35,418	266,218	14,236	315,872	292,550
	(Note 3)	(Note 4)	(Note 5)		
<i>Of which</i>					
Relating to unrestricted funds	35,418	48,033	12,090	95,541	83,210
Relating to designated funds	-	-	-	-	-
Relating to restricted funds	-	218,185	2,146	220,331	209,340

3. Staff Costs

	2008 £	2007 £
Gross salaries	36,086	37,857
Employer's NIC	3,267	3,691
	39,353	41,548
Allocated as follows:		
Charitable activities	35,418	37,393
Governance costs	3,935	4,155
	39,353	41,548

The average number of employees was 2 (2007 - 1).

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

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

Cove Park

Notes to the Financial Statements for the year ended 31 December 2008

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 and split across the funds are 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>	2008	2007
	General	Designat.		Total	Total
	£	£	£	£	£
Land manager	8,800	-	-	8,800	5,600
Board member expenses	-	-	2,146	2,146	-
Sundries	1,295	-	-	1,295	-
Rates	419	-	-	419	131
Bank charges	758	-	-	758	1,292
Recruitment	175	-	-	175	-
Bank interest	643	-	-	643	4,911
	12,090	-	2,146	14,236	11,934

6. Governance Costs

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	2008	2007
	General	Designat.		Total	Total
	£	£	£	£	£
Salaries	3,935	-	-	3,935	4,155
Audit and accountancy fees	7,787	-	-	7,787	9,288
Professional fees	-	-	-	-	440
	11,722	-	-	11,722	13,883

7. Other Resources Expended

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	2008	2007
	General	Designat.		Total	Total
	£	£	£	£	£
Depreciation	-	18,436	6,358	24,794	24,873
	-	18,436	6,358	24,794	24,873

Cove Park

Notes to the Financial Statements for the year ended 31 December 2008

8. Tangible Fixed Assets

	Leasehold buildings	Property Improv.	Computer Equipment	Fixtures & Fittings	Plant & Machinery	Motor Vehicles	Total
<i>Cost</i>	£	£	£	£	£	£	£
As at 1 January 2008	547,805	60,801	18,558	12,749	4,783	15,269	659,965
At 31 December 2008	547,805	60,801	18,558	12,749	4,783	15,269	659,965
<i>Depreciation</i>							
As at 1 January 2008	41,203	31,547	10,898	9,090	3,726	11,450	107,914
Charge for year	10,956	6,080	2,311	1,101	529	3,819	24,796
At 31 December 2008	52,159	37,627	13,209	10,191	4,255	15,269	132,710
<i>Net Book Value</i>							
At 31 December 2008	495,646	23,174	5,349	2,558	528	-	527,255
At 31 December 2007	506,602	29,254	7,660	3,659	1,057	3,819	552,051
Split by fund:-							
Restricted							95,445
Designated assets							431,810
							527,255

9. Fixed Asset Investments

	2008	2007
	£	£
Shares in group undertakings	1	1

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

	2008	2007
	£	£
Aggregate capital and reserves	(14,632)	(14,632)
Profit/(Loss) for the year	-	-

The balance owed to the subsidiary by the parent company totals £5,658 at the year end date, but this is eliminated on consolidation in the financial statements.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2008

10. Debtors: Amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Prepayments and accrued income	-	18,773	-	18,773
VAT	-	1,579	-	-
	<u>-</u>	<u>20,352</u>	<u>-</u>	<u>18,773</u>

11. Creditors: Amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans and overdrafts	33,784	34,515	3,089	-
VAT	17	-	-	-
Other taxes and Social Security costs	3,882	1,046	3,882	1,046
Amount due to group undertaking	-	-	5,659	9,749
Accrued expenses and deferred income	16,012	17,371	14,883	14,375
	<u>53,695</u>	<u>52,932</u>	<u>27,513</u>	<u>25,170</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. The company had retained a £120,000 reserve in a separate bank account but to minimise interest charges these funds were temporarily amalgamated with the working overdraft.

12. Creditors: Amounts falling due greater than one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amount due to P A Jacobs and E D Jacobs	<u>-</u>	<u>83,567</u>	<u>-</u>	<u>83,567</u>

13. Explanation of Funds

The various funds are held for the following purposes:

Unrestricted

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.

Restricted

Scottish Arts Council Residencies - five three-month residencies in Crafts, Literature & Visual Arts.

Argyll and Bute Residences - for two-week residencies for artists connected to Argyll and Bute.

Artists in Schools - a programme for secondary school students in Argyll and Bute.

Silversmithing & Jewellery - a one-month residency for a UK-based silversmith or jeweller.

Poet to Poet Translation - one-week residencies for UK and international poets.

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

Cove Park Commission - a commission to support the development of new work by a visual artist.

Springboard/Emerging Artists - for residencies designed to support emerging artists.

Music - to support various musical commissions.

Henry Moore - a six-month fellowship available for Crafts, Literature or Visual Arts.

Fairbairn - supporting a Visual Arts Creative Development over six six-week residencies.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2008

14. Analysis of Net Assets by Funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Fixed Assets	-	431,810	95,445	527,255
Current Assets				
Stocks	11,552	-	-	11,552
Debtors	-	-	-	-
Cash at bank and in hand	(58,873)	35,000	24,524	651
Creditors < 1 year	(53,695)	-	-	(53,695)
Creditors > 1 year	-	-	-	-
Net Assets	(101,016)	466,810	119,969	485,763

15. Fund Transfers

	Unrestricted		Restricted
	General	Designated	
	£	£	£
To offset deficits on restricted funds	(26,794)	-	26,794
To correct depreciation on restricted funds	1,435	4,923	(6,358)
	(25,359)	4,923	20,436

16. Directors' Expenses & Related Parties

The directors received the following reimbursements during the year.

	No. of Directors	2008 £	2007 £
Travel expenses	2	2,146	10,501
		2,146	10,501

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

The charity also received a donation of £20,000 and one of £10,000 from two charitable trusts during the year of which a trustee is also a director of Cove Park.

During the year P & E Jacobs (trustees of Cove Park) decided to waive payment of a long term loan, due to them by the charity. This loan has now been shown as a donation of £83,567 in the year.

Also included within donations is £600 received from Trustee Professor Seona Reid.

The charity paid £615 on behalf of Cove Park Enterprises Limited ("Enterprises") and received £501 from Enterprises, a wholly owned subsidiary of Cove Park. Enterprises also made a donation of £3,977 to the charity during the year. At the end of the year Cove Park owed Enterprises £5,658.

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Notes to the Financial Statements for the year ended 31 December 2008

17. Liability of Members

The charity is limited by guarantee, with the liability of each member limited to £1.

18. Deficit

The deficit is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	24,794	24,873
Audit & accountancy fees	<u>7,787</u>	<u>6,674</u>

19. Taxation

No liability to UK Corporation Tax arises in light of the company's charitable status.

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.

Cove Park

Appendix to the Financial Statements for the year ended 31 December 2008

Programme Costs (per page 16, Note 2)

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	2008	2007
	General	Designat.	Funds	Total	Total
	£	£	£	£	£
Direct project costs	-	-	119,444	119,444	117,418
Administrator	-	-	14,690	14,690	16,310
Advertising	-	-	4,058	4,058	3,351
Catering	1,369	-	2,569	3,938	3,589
Manager	25,701	-	-	25,701	1,075
Development consultant	-	-	17,865	17,865	13,425
Fundraising	-	-	188	188	727
Heat, light & utilities	1,292	-	11,632	12,924	13,252
Housekeeping	-	-	7,192	7,192	5,875
Insurance	-	-	3,931	3,931	3,363
Laundry & cleaning	-	-	2,061	2,061	1,804
Consumables	-	-	-	-	1,291
Memberships & subscriptions	-	-	700	700	784
Postage & stationery	(35)	-	2,397	2,362	3,727
Programme producer	-	-	30,240	30,240	28,800
Site maintenance & repairs	11,803	-	-	11,803	14,274
Telephone	1,819	-	-	1,819	1,841
Travel	650	-	1,218	1,868	11,539
Website development	1,882	-	-	1,882	778
Framing	72	-	-	72	-
Art Fair	1,418	-	-	1,418	-
Public Relations	550	-	-	550	-
Irrecoverable VAT	1,512	-	-	1,512	-
	48,033	-	218,185	266,218	243,223