

Scottish Charity Number: SC029530
Scottish Company Number: SC201042

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
COVE PARK
(limited by guarantee)

WEDNESDAY



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30/11/2016
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Cove Park

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Cove Park

Reference and Administrative Details

Principal Address and Registered Office

Cove Park
Peaton Hill
Cove
Argyll & Bute
G84 0PE

Directors and Trustees

Peter A Jacobs
Eileen D Jacobs
Julian Forrester (*director only*)
Dame Seona Reid DBE, FRSA, FRSE
John H Dover
Anthony P F McKee
Ruth M Little
David H Anderson
Carol Sinclair

Company Secretary

Peter A Jacobs

Independent Auditors

Cook & Co.
Chartered Accountants
Statutory Auditors
Suite 525
Baltic Chambers
50 Wellington Street
Glasgow
G2 6HJ

www.covepark.org

Cove Park

Report of the Trustees for the year ended 31 December 2015

The Trustees are pleased to present their Report together with the Consolidated Financial Statements for the year ended 31 December 2015.

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 2015 to the date of this Report were as follows:-

Peter A Jacobs
Eileen D Jacobs
Dame Seona Reid DBE, FRSA, FRSE
John H Dover
Anthony P F McKee
Julian Forrester (*director only*)
Ruth M Little
David H Anderson
Carol Sinclair

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 2015 (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

2015 was a particularly significant year for Cove Park. We delivered both a full programme of residencies for national and international artists - involving several new elements described below - and began a major capital redevelopment programme in September. Our Artists Centre (which was built in the 1980s for Cove Conservation Park and had become largely inoperable in the winter months and too small to accommodate our expanding programme) was demolished in September. By December, Clark Contracts was midway through construction of a new building designed by Cameron Webster Architects and funded by Creative Scotland, the Monument and Robertson Trusts, amongst other generous private donors, who together contributed the £1.4 million required. The building is scheduled for completion in Spring 2016, bringing with it increased accommodation, studios and new spaces for artists and public activity.

Although without an Artists Centre from September, we were able to run all planned activities during the year. These included funded residencies, taking place between May and October, awarded to the following artists:

Crafts

Jude Barber – Architect based in Glasgow.

Jasleen Kaur - Product designer based in London.

Laura Lightbody – Ceramicist based in Glasgow.

Gemma Roper – Recipient of the RCA/Eddie Mundy “Brilliant” Award, offered in partnership with the Design Products department of the Royal College of Art with additional funding from the Inches Carr Trust

Will Shannon – UK-based maker and manufacturer.

Hannah Waldron - International Crafts resident and weaver based in Stockholm and Nottingham.

Literature

Rachel Cusk – UK-based writer, completed 'Outlines' at Cove Park (included on the Folio Prize shortlist and featured in the New Yorker).

Julia Gray - Birkbeck/Sophie Warne Fellow.

Rebecca Loncraine - Non-fiction writer, biographer of Frank Baum.

Martin MacInnes - Scottish Emerging Writer, winner of Manchester Fiction Prize.

James Nixon and Sarah Shapiro - Royal Holloway Fellows.

Margie Orford - Cove Park International Writer, based in South Africa.

Tom Pow - Scottish poet and writer.

Cove Park

Report of the Trustees for the year ended 31 December 2015 (cont)

Performing Arts

The following 'Jerwood Residencies' are a series of residencies to support collaborative practice supported by the Jerwood Charitable Foundation.

Richard Craig (musician) and Patricia Alessandrini (composer).

Alex Nielsen (musician and songwriter) with Stewart Lee (comedian) and Lavinia Blackwall (singer).

Wils Wilson (theatre maker) with Catriona MacInnes (film maker).

Luke Pell (maker, curator and performer) with David Shearing (designer) and Ben Whyman (researcher).

Visual Arts

Lauren Printy Currie - Glasgow-based sculptor awarded the Emerging Visual Artist residency supported by the Craignish Trust.

Kathryn Elkin – Based in Edinburgh, working in performance, text and video.

Toby Paterson - Glasgow-based artist, known for gallery-based installations of paintings and sculpture.

Margaret Salmon - Whitstable-based artist, working in film

Paul P. - Canadian artist working primarily as a painter and printmaker.

Sam Wright and Eleanor Watson - Newcastle-based visual artists/curators, awarded a ten-day One-to-One residency.

Other activities

The summer season was enhanced through its peer-to-peer programme of talks, presentations and public events. Glasgow's Project Ability visited Cove Park for the first time to participate in a one-day studio event with Lauren Printy Currie and we hosted our first Portfolio Preparation weekend in collaboration with Comar, Mull. Cove Park's first dedicated Film Residency, for a mid-career filmmaker, was launched in 2015 and will continue in future years. The Edinburgh-based writer Maria Fusco undertook a residency in June, funded by Artangel, to allow her to develop the Artangel Open Commission for BBC Radio 4. Visual artist Alison Turnbull returned to Cove Park to finalise work on the publication 'Another Green World', published by Art Books and launched later in the year at events in Edinburgh and London.

We held two special events in September for our local community. These enabled us to introduce our plans for both the programme and 50-acre site and to capture opinions and comments on our future development. In November, The Paul Hamlyn Foundation committed two-year support for 'Hands-On Cove Park', the new education programme due to launch in July 2016. 'Hands-On' will be managed by a dedicated Programme Producer, appointed in the spring of 2016 and supported by the Robertson Trust.

Cove Park

Report of the Trustees for the year ended 31 December 2015 (cont)

Future plans (continued)

Hands-On

This project is supported by the Hamlyn Foundation and the Robertson Trust to begin in 2016 and run over a two-year period. A community steering group will be formed to advise on the programme.

Literature

Resident artists will be Rachel Holmes, biographer of Eleanor Marx; Marion Coutts, author of *The Iceberg*; Mikey Cuddihy, author of *Summerhill*; Lynsey May (emerging Scottish writer); Jessica Fox (storyteller for NASA turned children's historical novel writer); Susan Wicks (distinguished poet and translator). The International Writer will be Yelena Moskvich, a Russian novelist living in Paris.

Translation

A number of different countries will be represented in a project to translate Scottish literature of all kinds through both individual and group residencies.

Crafts

2016 Emerging Designer/ Maker is Jennifer Kent, a Glasgow based knit designer. Two residencies will go to UK based makers, textile artists Celia Pym and Silversmith Max Warren, and the International Craft residency has been awarded to Dutch architect Erno Langenburg.

Capital funds

Over the course of 2014 and 2015 the following Trusts, Foundations and Individuals donated to the capital campaign for the new building, adding to Creative Scotland's award of £621,000.

Trusts and Foundations

Alma and Leslie Wolfson Charitable Trust
Binks Trust
Caroline Younger Charitable Settlement
Cruden Foundation
Foyle Foundation
Esterson Trust
Hugh Fraser Charitable Foundation
J Paul Getty Charitable Trust
Lady Nancy Brown Charitable Trust
Mackintosh Foundation
John Mather Charitable Trust
Merchants House of Glasgow
Monument Trust
PF Charitable Trust
Barr Charitable Trust
Robertson Trust

Individuals

James and Morag Anderson
Clive Beecham
Deirdre Bernard
Maurice and Susan Cresswell
Ray Entwistle
Cyril and Ann Furst
Gerry Grimstone
Patricia Jacobs
Joni Kaplan
Briony Lavery
Henry Lewis
Magnus and Veronica Linklater
Bruce Minto
David and Immanuel Ofra
Dame Seona Reid
Stephen and Roberta Rosefield
Ruth and David Rothenberg
Jonathan and Lucy Silver
Boyd Tunnock
Lord Leslie and Lady Edna Turnberg

Cove Park

Report of the Trustees for the year ended 31 December 2015 (cont)

Financial Review

The consolidated gross income for the year was £782,710 (2014: £501,898) with £28,895 (2014: £33,193) coming from charitable and trading activities, which arose in the wholly owned subsidiary Cove Park Enterprises Limited. There was a consolidated net surplus for the year of £191,695 (2014: £259,072) and a breakdown of this between the funds is detailed on page 9.

The statement of financial activities on page 9 show a significant non-recurring deficit on the designated assets fund which was due to an impairment provision against the old artists centre. As explained further on page 3, the old artists centre was demolished in September 2015 to allow construction to commence on the new centre. As a result of this a provision was required to reduce the value of the old centre buildings to nil.

The financial statements show a consolidated position of funds totalling £923,749 (2014: £732,054), which is split between restricted and unrestricted funds as detailed further in notes 19 and 20.

At the balance sheet date, there is an accumulated deficit carried forward on the unrestricted general fund of £77,457. The trustees are taking measures to bring the operating finances into balance. These include initiatives to increase income from residences and to increase efficiency in building and site services. Furthermore ongoing funding from Creative Scotland (whom Cove Park has a rolling two year contract), several trusts including Jerwood Charitable Foundation and income earned from revenue generating residencies ensure that the year round programme of work can be developed and delivered.

Statement of Trustees Responsibilities

The charity trustees (who are also directors of Cove Park for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Cove Park

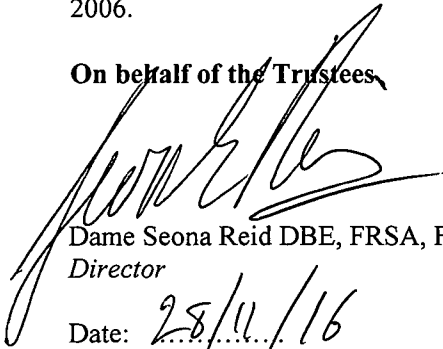
Report of the Trustees for the year ended 31 December 2015 (cont)

Statement as to Disclosure of Information to Auditors

So far as the trustees 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 trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves 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,



Dame Seona Reid DBE, FRSA, FRSE
Director

Date: 28/11/16

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 2015 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 6, 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 25 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 2015 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)

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.

Cook & Co

Alan Young (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

29/11/16

50 Wellington Street
Glasgow G2 6HJ

Cove Park

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

for the year ended 31 December 2015

	Notes	<u>Unrestricted</u> General	<u>Designated</u>	<u>Restricted</u>	2015 Total	2014 Total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	33,705	-	719,337	753,042	468,620
Trading activities	3	5,267	-	-	5,267	800
Charitable activities	4	23,628	-	-	23,628	32,393
Investments	5	773	-	-	773	85
Total income		63,373	-	719,337	782,710	501,898
Expenditure on:						
Charitable Activities	6	47,964	-	174,135	222,099	214,961
Governance Costs	9	12,494	-	1,500	13,994	11,614
Other Resources Expended	10	(89)	353,073	1,937	354,921	16,251
Total expenditure		60,369	353,073	177,572	591,014	242,826
Net income/(expenditure)		3,004	(353,073)	541,765	191,696	259,072
Transfers between funds	22	(737)	737	-	-	-
Net movement in funds		2,267	(352,336)	541,765	191,696	259,072
Reconciliation of funds						
Total funds brought forward		(94,939)	391,550	435,443	732,054	472,982
Total funds carried forward		(92,672)	39,214	977,208	923,750	732,054

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

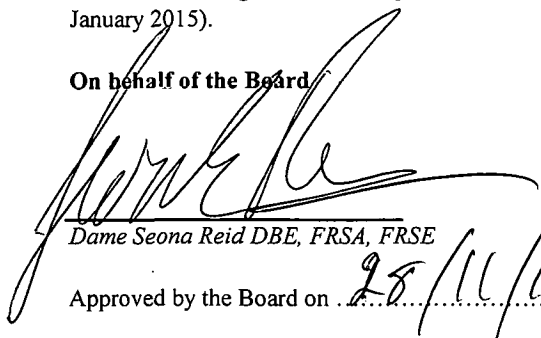
The notes on pages 14 to 23 form part of these financial statements.

Cove Park (Registered Number: SC201042)**Consolidated Balance Sheet as at 31 December 2015**

	Notes	2015	2014
		£	£
Fixed Assets			
Tangible assets	14	426,673	468,336
		<u>426,673</u>	<u>468,336</u>
Current Assets			
Stocks		11,358	12,628
Debtors	16	67,606	7,412
Cash at bank and in hand		461,516	287,854
		<u>540,480</u>	<u>307,894</u>
Creditors: Amounts falling due within one year	17	<u>31,765</u>	<u>23,887</u>
Net Current Assets		508,715	284,007
Total Assets less Current Liabilities		935,388	752,343
Creditors: Amounts falling after one year	18	11,639	20,289
Net Assets		<u>923,749</u>	<u>732,054</u>
Represented by:			
Unrestricted Funds			
General	19	(92,672)	(94,939)
Designated	19	39,214	391,550
Restricted Funds	20	977,208	435,443
		<u>923,750</u>	<u>732,054</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 January 2015).

On behalf of the Board


 Dame Seona Reid DBE, FRSA, FRSE

Approved by the Board on 28/11/16

The notes on pages 14 to 23 form part of these financial statements.

Cove Park

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

for the year ended 31 December 2015

		<u>Unrestricted</u>		<u>Restricted</u>	2015	2014
	Notes	General	Designated		Total	Total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	33,705	-	719,337	753,042	468,620
Charitable activities	4	23,628	-	-	23,628	32,393
Investments	5	773	-	-	773	85
Total income		58,106	-	719,337	777,443	501,098
Expenditure on:						
Charitable activities	6	41,602	-	174,136	215,738	214,557
Governance costs	9	12,094	-	1,500	13,594	11,614
Other	10	-	353,073	1,937	355,010	16,251
Total expenditure		53,696	353,073	177,573	584,342	242,422
Net income/(expenditure)		4,410	(353,073)	541,764	193,101	258,676
Transfers between funds	22	(737)	737	-	-	-
Net movement in funds		3,673	(352,336)	541,764	193,101	258,676
Reconciliation of funds						
Total funds brought forward		(81,130)	391,550	435,443	745,863	487,187
Total funds carried forward		(77,457)	39,214	977,207	938,964	745,863

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

Cove Park (Registered Number: SC201042)**Company Balance Sheet at 31 December 2015**

	Notes	2015	2014
		£	£
Fixed Assets			
Tangible assets	14	426,673	468,336
Investments	15	1	1
		<u>426,674</u>	<u>468,337</u>
Current Assets			
Debtors	16	69,290	7,412
Cash at bank and in hand		475,798	372,579
		<u>545,088</u>	<u>379,991</u>
Creditors: Amounts falling due within one year	17	<u>21,159</u>	<u>82,176</u>
Net Current Assets		523,929	297,815
Total Assets less Current Liabilities		<u>950,603</u>	<u>766,152</u>
Creditors: Amounts falling after one year	18	11,639	20,289
Net Assets		<u><u>938,964</u></u>	<u><u>745,863</u></u>
The funds of the charity			
Unrestricted Funds			
General	19	(77,457)	(81,130)
Designated	19	39,214	391,550
Restricted Funds	20	977,207	435,443
		<u><u>938,964</u></u>	<u><u>745,863</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 January 2015).

On behalf of the Board


Dame Seona Reid DBE, FRSA, FRSE

Approved by the Board on 28/11/16

The notes on pages 14 to 23 form part of these financial statements.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

All figures reported in the financial statements are in pounds sterling.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Cove Park Enterprises Limited on a line-by-line basis.

Cashflow statement

The charity has taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities (effective January 2015) from the requirement to produce a cashflow statement as it qualifies as a small company.

Preparation of the accounts on a going concern basis

At the balance sheet date the charity had a deficit on its general fund of £77,457. 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

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations, are recognised when they have been communicated is received in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/ executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliable measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

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

As noted in the trustees report, the charity began construction of a new artists centre and the costs have been capitalised as assets under construction. As the centre construction was not complete at the balance sheet date, no depreciation has been provided.

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Further details of each fund are disclosed in notes 19 and 20.

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 2015

2. Income from donations and legacies

	<i>Unrestricted</i>		<i>Restricted</i>	2015	2014
	General	Designat.		Total	Total
	£	£	£	£	£
Grants receivable	-	-	674,537	674,537	458,117
Donations	33,705	-	44,800	78,505	10,503
	33,705	-	719,337	753,042	468,620
<i>Relating to Charity</i>	33,705	-	719,337	753,042	468,620

3. Income from trading activities

Portfolio sales	5,267	-	-	5,267	800
<i>Relating to Charity</i>	-	-	-	-	-

4. Income from charitable activities

Rent received	23,628	-	-	23,628	32,393
<i>Relating to Charity</i>	23,628	-	-	23,628	32,393

5. Investment income

Bank interest received	773	-	-	773	85
<i>Relating to Charity</i>	773	-	-	773	85

6. Charitable Activities

	Staff Costs	Programme Costs	Support Costs	2015 Total	2014 Total
	£	£	£	£	£
<i>Activity</i>					
Advancement of education of public in all aspects of contemporary art.	10,635	205,078	6,386	222,099	214,961
	10,635	205,078	6,386	222,099	214,961
<i>Of which</i>					
Relating to unrestricted funds	-	41,578	6,386	47,964	36,740
Relating to designated funds	-	-	-	-	-
Relating to restricted funds	10,635	163,500	-	174,135	178,221
Relating to charity	10,636	198,884	6,218	215,738	214,557
	(Note 11)	(Note 7)	(Note 8)		

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

7. Programme Costs

	<i>Unrestricted</i>		<i>Restricted</i>	2015	2014
	General	Designat.		Total	Total
	£	£	£	£	£
Direct project costs	-	-	109,731	109,731	95,757
Capital project (non building costs)	-	-	-	-	2,114
Advertising	4,155	-	-	4,155	2,858
Catering	698	-	-	698	4,228
Fundraising	65	-	-	65	-
Heat, light & utilities	5,578	-	4,000	9,578	11,622
Housekeeping	218	-	-	218	1,532
Insurance	3,083	-	-	3,083	3,828
Laundry & cleaning	1,733	-	1,193	2,926	2,988
Postage & stationery	1,826	-	-	1,826	2,074
Programme producer	-	-	43,576	43,576	46,674
Site maintenance & repairs	12,030	-	5,000	17,030	10,280
Telephone	1,986	-	-	1,986	1,654
Travel	2,897	-	-	2,897	5,337
Entertainment	1,146	-	-	1,146	1,341
Cost of stock sold	6,163	-	-	6,163	139
	41,578	-	163,500	205,078	192,426
<i>Relating to Charity</i>	35,384	-	163,500	198,884	192,146

8. Support Costs

Loan interest paid	1,410	-	-	1,410	1,863
Sundries	613	-	-	613	370
Bank charges	992	-	-	992	865
Bank interest	3,371	-	-	3,371	1,535
	6,386	-	-	6,386	4,633
<i>Relating to Charity</i>	6,218	-	-	6,218	4,509

9. Governance Costs

Audit and accountancy fees	8,820	-	1,500	10,320	7,824
Professional fees	-	-	-	-	116
Centre Director's fees	3,674	-	-	3,674	3,674
	12,494	-	1,500	13,994	11,614
<i>Relating to Charity</i>	12,094	-	1,500	13,594	11,614

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

10. Other Resources Expended

	<i>Unrestricted</i>		<i>Restricted</i>	2015	2014
	General	Designat.		Total	Total
	£	£	£	£	£
Depreciation	-	11,978	1,937	13,915	16,251
Impairment charge on leasehold	-	341,095	-	341,095	-
Taxation under provision in prior year	(89)	-	-	(89)	-
	(89)	353,073	1,937	354,921	16,251
<i>Relating to Charity</i>	-	353,073	1,937	355,010	16,251

11. Staff costs

	2015	2014
	£	£
Gross salaries	10,636	17,450
Employer's NIC	-	452
	10,636	17,902
Allocated as follows:		
Charitable activities	10,636	17,902
Governance costs	-	-
	10,636	17,902

The average number of employees was 1 (2014 - 1).

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

12. Net income/(expenditure) for the year

The net income is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	-	16,251
Impairment on leasehold properties	341,095	-
Auditors remuneration - Audit fees	3,120	3,000
Auditors remuneration - Non Audit fees	6,990	5,028
Directors' remuneration	-	-

13. Corporation tax

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 2015 (2014 - £nil).

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

14. Tangible Fixed Assets - Charity (also comprising that of the group)

	Assets under Construction £	Leasehold buildings £	Property Improv. £	Computer Equipment £
<i>Cost</i>				
As at 1 January 2015	31,990	547,805	60,801	8,719
Additions	312,610	-	-	737
At 31 December 2015	344,600	547,805	60,801	9,456
<i>Depreciation</i>				
As at 1 January 2015	-	117,895	59,296	5,559
Impairment charge	-	341,095	-	-
Charge for year	-	10,956	752	1,418
At 31 December 2015	-	469,946	60,048	6,977
<i>Net Book Value</i>				
At 31 December 2015	344,600	77,859	753	2,479
At 31 December 2014	31,990	429,910	1,505	3,160
	Fixtures & Fittings £	Plant & Machinery £	Motor Vehicles £	Total £
<i>Cost</i>				
As at 1 January 2015	18,011	4,783	17,750	689,859
Additions	-	-	-	313,347
At 31 December 2015	18,011	4,783	17,750	1,003,206
<i>Depreciation</i>				
As at 1 January 2015	16,240	4,783	17,750	221,523
Impairment charge	-	-	-	341,095
Charge for year	789	-	-	13,915
At 31 December 2015	17,029	4,783	17,750	576,533
<i>Net Book Value</i>				
At 31 December 2015	982	-	-	426,673
At 31 December 2014	1,771	-	-	468,336

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

15. Fixed Asset Investments

	2015	2014
	£	£
Shares in group undertakings	<u>1</u>	<u>1</u>

The company's investment at the Balance Sheet date consists of the entire issued share capital of Cove Park Enterprises Limited.

The summary financial performance of the subsidiary is:

Turnover	317,875	800
Cost of sales	(318,772)	(139)
Administrative expenses	(599)	(265)
Tax on ordinary activities	89	
Net profit	<u>(1,407)</u>	<u>396</u>

The assets and liabilities of the subsidiary were:

Current assets	60,083	72,374
Current liabilities	<u>(75,297)</u>	<u>(86,181)</u>
Total net assets	<u>(15,214)</u>	<u>(13,807)</u>
Aggregate share capital and reserves	<u>(15,214)</u>	<u>(13,807)</u>

16. Debtors: Amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Prepayments and accrued income	18,899	7,412	18,880	7,412
Amount due to group undertaking	-	-	50,410	-
VAT	48,707	-	-	-
	<u>67,606</u>	<u>7,412</u>	<u>69,290</u>	<u>7,412</u>

17. Creditors: Amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	7,860	7,071	7,860	7,071
VAT	-	16	-	-
Amount due to group undertaking	-	-	-	59,746
Accrued expenses and deferred income	23,905	16,800	13,299	15,359
Corporation Tax	-	-	-	-
	<u>31,765</u>	<u>23,887</u>	<u>21,159</u>	<u>82,176</u>

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

18. Creditors: Amounts falling after one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Bank Loans and overdraft	11,639	20,289	11,639	20,289

19. Unrestricted funds	Balance at 01.01.15 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31.12.15 £
General Fund- Cove Park	(81,130)	58,106	(53,696)	(737)	(77,457)
Cove Park Enterprises	(13,809)	5,267	(6,673)	-	(15,215)
General fund	(94,939)	63,373	(60,369)	(737)	(92,672)
Designated funds					
Designated assets fund	356,550	-	(353,073)	737	4,214
Designated capital project fund	35,000	-	-	-	35,000
	391,550	-	(353,073)	737	39,214
Total unrestricted funds	296,611	63,373	(413,442)	-	(53,458)

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.

20. Restricted funds	Balance at 01.01.15 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31.12.15 £
Creative Scotland	-	133,332	(133,332)	-	-
Creative Scotland - Linn Gardens	10,104	4,750	(14,854)	-	-
Alma & Leslie Wolfson Trust	-	250	(250)	-	-
Andor Trust	-	3,000	(3,000)	-	-
Jerwood	-	19,200	(19,200)	-	-
Craignish Trust	-	5,000	(5,000)	-	-
Cubes	79,796	-	(1,937)	-	77,859
Capital Project	345,543	553,805	-	-	899,348
Total restricted funds	435,443	719,337	(177,573)	-	977,207

The various funds are held for the following purposes: -

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

Creative Scotland- Linn Gardens- support for an art project and book about the Linn Botanic gardens.

Andor Trust- support for longer residencies in arts.

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.

Capital Project - a fund for the rebuilding of the artists' centre.

Alma & Leslie Wolfson Charitable Trust - a fund for artists support.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2015

21. Analysis of group net assets by fund

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible Fixed Assets	-	39,214	387,459	426,673
Current Assets				
Stocks	11,358	-	-	11,358
Debtors	67,606	-	-	67,606
Cash at bank and in hand	(128,233)	-	589,749	461,516
Creditors < 1 year	(31,765)	-	-	(31,765)
Creditors > 1 year	(11,639)	-	-	(11,639)
	<u>(92,673)</u>	<u>39,214</u>	<u>977,208</u>	<u>923,749</u>
Total				

22. Fund Transfers

	Unrestricted General £	Designated £	Restricted £
General funds used to purchase fixed assets	<u>(737)</u>	<u>737</u>	<u>-</u>

23. Directors' Expenses & Related Parties

The directors received the following reimbursements during the year.

	No. of Directors	2015 £	2014 £
Travel expenses	1	2,521	2,216
		<u>2,521</u>	<u>2,216</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 £57,350 (2014: £1,560).

Also included within donations is £5,720 received from director, Professor Seona Reid (2014: £720).

During the year the company received invoices from Cove Park Enterprises Limited amounting to £270,563 (2014 - £nil) for costs associated with the construction of the new artists centre. At the balance sheet date a balance of £50,410 was receivable from Cove Park Enterprises Limited (2014 - £59,746 payable to Cove Park Enterprises Limited).

24. 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 2015 was 5 (2014 - 5).

Cove Park

Notes to the Financial Statements *for the year ended 31 December 2015*

25. 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.

26 Transition to SORP FRSSE 2015

These financial statements for the year ended 31 December 2015 are the charity's first financial statements that comply with SORP FRSSE 2015. The charity's date of transition to SORP FRSSE 2015 is 1 January 2014. The charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 December 2015.

The transition to SORP FRSSE 2015 has resulted in some changes in the charity's accounting policies compared to those used when applying previous UK GAAP.

No restatements were required.