

Scottish Charity Number: SC029530
Scottish Company Number: SC201042

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
COVE PARK
(limited by guarantee)

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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
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
Baltic Chambers
50 Wellington Street
Glasgow
G2 6HJ

www.covepark.org

Cove Park

Report of the Trustees for the year ended 31 December 2014

The Trustees are pleased to present their Report together with the Consolidated Financial Statements for the year ended 31 December 2014.

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 2014 to the date of this Report were as follows:-

Peter A Jacobs
Eileen D Jacobs
Paul F Allen
Dame Seona Reid DBE, FRSA, FRSE
John H Dover
Anthony P McKee
Julian Forrester (*director only*)
Roanne Dods (resigned 26 June 2014)
Ruth M Little
David H Anderson (appointed 6 March 2014)
Carol Sinclair (appointed 11 December 2014)

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 2014 (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

Cove Park presented a diverse and successful programme of residencies, public, community and educational events from late April to late September 2014. As in previous years, this programme consisted primarily of residencies for national and international artists in Crafts, Literature, the Performing Arts and Visual Arts.

Crafts

6 residencies of between 2 and 8 weeks each were awarded to maker/designers through our Crafts programme. This included for the second year a two-week 'Jacobs Ladder' residency, made possible through a private donation, awarded to jeweller Mirka Janeckova. The UK national residency was awarded to the designer James Thompson (London), allowing him to continue his work in sculpture, video and performance. The international residency was awarded to product designer Nick Ross (Sweden) and an Emerging Artist residency to graphic designer Maeve Redmond (Scotland).

Literature

Our Literature programme attracted both emerging and established authors from throughout the UK and beyond. The International Writer residencies were awarded to Zambian-born author Ellen Banda-Aaku and the Chinese poet, translator and curator Lizhen Lian. Five residencies were also awarded to writers originating from or based in the Caribbean (see 'Special Projects' below). Scottish Literature residencies were awarded to Vicky Mackenzie (Fife), Michael Pedersen (Edinburgh), Nicola White (Argyll and Bute) and Kate Tough (Glasgow). For a second year, and in partnership with the Royal Holloway (University of London), Cove Park awarded a Fellowship to a recent graduate from its MA Creative Writing course (Carrie Foulkes). Now in its fourth year, Cove Park also hosted a Sophie Warne Fellowship for a recent graduate of the MA Creative Writing course at Birkbeck, University of London.

Performing Arts

With support from the Jerwood Foundation, Cove Park also created 14 residencies for performing artists, choreographers, directors and writers based in the UK. These intensive residencies lasted for one week and were awarded to: Directors Steven Brett and Kate Gower (Nightingale Theatre, Brighton), theatre-maker Caroline Horton, writer and performer Molly Naylor, scriptwriter and producer Hannah Walker, theatre company Made in China, choreographer Luke Pell, performing artists Jo Bannon, Phoebe Davies, Rachel Ofori, Jamie Wood, Tom Frankland, Laura Mugridge, Rachel Mars and performing artist/visual artist Hanna Tuulikki.

Cove Park

Report of the Trustees for the year ended 31 December 2014 (cont)

Visual Arts

Cove Park awarded 11 residencies during its summer programme. These opportunities were awarded to the international artists Tyler Coburn (USA) and Martin Healy (Ireland) and to the UK-based artists Ruth Claxton (Birmingham), Sarah Forrest (Glasgow) and Cara Tolmie (London). With ongoing support from the Craignish Trust, our one-month residency for an emerging visual artist based in Scotland was awarded to Lauren Gault.

The One-to-One programme continued this year with a one-week residency for visual artists Amelia Bywater (Scotland) and Emma Fitts (New Zealand), allowing them to maintain and develop their collaborative work. Our support of those focusing on art writing continued through a residency for writer, editor and typographer Will Holder. Through a partnership with the Glasgow Sculpture Studios, we were pleased to host the Basel-based curator and writer Quinn Latimer for a two-week residency.

Special Projects

In 2014, and in collaboration with the **Empire Café** (a Glasgow 2014 Cultural Programme project devised by author Louise Welsh and architect Jude Barber), Cove Park hosted a series of residencies for authors and poets based in or originating from the Caribbean: Fred D'Aguiar, Malika Booker, Millicent Graham, Sasenarine Persaud and Dorothea Smartt. These authors presented work as part of the Empire Café during the Commonwealth cultural programme and developed new work at Cove Park.

In 2013 Cove Park was awarded funding from Creative Scotland to commission new work from Glasgow-based visual artist Alex Frost. The work was presented on site from 20 June – 26 September as part of '**Generation**': a nationwide celebration of contemporary art in Scotland. We received further financial support from Outset Scotland and The Elephant Trust to enable Alex to produce an ambitious new work responding to Cove Park's site and location. In parallel with this, Cove Park devised a series of Open Days and Friday Events, allowing visitors not only to see the work on site, but also to meet the artists on residency and participate in a series of special readings, screenings and workshops. We were pleased to present Louise Welsh and the poets and authors taking part in the Empire Café as part of this programme, and also local historian Richard Reeve and local author Nicola White.

Funded by the Ernest Cook Trust, Cove Park's **Artists in Schools** developed significantly in 2014. For the first time, Cove Park organised workshops led by artists Alex Frost and Alan McKeown specifically for three local primary schools. With support from Creative Scotland's Generation Public Engagement Fund, Cove Park also worked with Mount Stuart (Isle of Bute) on 'Generation Argyll and Bute', a series of visits and workshops for secondary school students at Rothesay Academy and Hermitage Academy, Helensburgh.

The London Talks

Cove Park's Founders, Peter and Eileen Jacobs, regularly hold these profile and fund-raising events in their London home. In 2014 Sir Mark Walport, Chief Scientific Adviser to the Government, and Turner Prize-winning artist and former Cove Park resident Elizabeth Price, both gave London Talks. The funds go towards residencies.

Self-Funded and Partnership Residencies

Residencies supported independently by the artists, or through partnership with other arts or educational organisations, are an increasingly important aspect of our work, allowing us to work throughout the year with a wide variety of leading artists from throughout the UK and beyond. These residencies will be a crucial element of the fully year-round programme we will deliver following the completion of our capital development programme in 2016. Examples of our work in this area during 2014 include:

Cove Park

Report of the Trustees for the year ended 31 December 2014 (cont)

- One-month residency for German visual artist Daniel Poller, with support from the Goethe Institute, Glasgow
- Research residencies for Art Angel Open Commission award winner and writer/art writer Maria Fusco, Chancellor's Fellow, Edinburgh College of Art
- A three-day workshop for students of the Critical and Pedagogical Studies course at Malmo Art Academy, Sweden
- Residencies for writers connected to and supported by Playwrights' Studio Scotland
- Residencies for new writers supported by the Scottish Book Trust
- Self-funded residency for choreographer Janice Parker with collaborator Jo Verrent
- Self-funded residencies for filmmaker Johnny Barrington
- An intensive 3-day residential workshop for composers working with New Music Scotland
- A short residency for Canadian visual artist Geoffrey Farmer funded through the Scottish Print Network
- Self-funded residency for filmmaker Hope Dickson-Leach
- PAL Labs, cross-discipline residential workshops
- Self-funded residency for crafts curator and writer Amanda Game.

Future Plans

A new Artists Centre will be built in 2015 which will provide fit-for-purpose facilities for artists and enable the wider public appreciation of the making of new work. It will include two additional units of accommodation with studios fully equipped for disabled artists. The building will open in early 2016 and is budgeted at £1.4 million of which to date some £1.25 million has been raised.

Approximately 45% of the costs will be met by an award from Creative Scotland. In addition vital support has been given or promised by many individuals and organisations. Major donors are: the Monument Trust, the Robertson Trust, the Binks Trust, the Foyle Foundation, the Caroline Younger Charitable Settlement, the Hugh Fraser Foundation, the PF Charitable Trust, the Merchants House of Glasgow, the Alma and Leslie Wolfson Trust and the Mackintosh Foundation.

The 2015 artistic programme will continue relatively unaffected by construction, with accommodation temporarily reduced from ten to eight and one of the pods becoming the office and artists centre. Many of the educational and public access events and activities that Cove Park undertakes will be moved off-site for the year to facilities in Cove and Kilcreggan as well as Helensburgh.

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 £501,898 (2013: £309,015) with £33,193 (2013: £27,893) coming from charitable activities. There was a consolidated net surplus for the year of £259,072 (2013: net surplus £56,580), which comprises a deficit of £6,573 (2013: £1,013) on the general fund, a deficit of £14,314 (2013: £14,221) on the designated assets fund and a surplus of £279,959 (2013: £71,814) on the restricted funds.

The financial statements show a consolidated position of reserves totalling £732,054 (2013: £472,982). This represents the fixed assets of the charity (split between restricted and designated funds, Note 8), the general fund with a deficit of £94,939 (2013: £88,366) and the restricted funds with a balance of £435,443 (2013: £155,484).

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Report of the Trustees for the year ended 31 December 2014 (cont)

The trustees are fully aware of the deficit on the general fund and Cove Park is taking measures to bring the operating finances into balance. These include initiatives to increase rental income and to increase efficiency in building and site 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 Trustees Responsibilities

Company law requires the trustees 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 trustees 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 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.

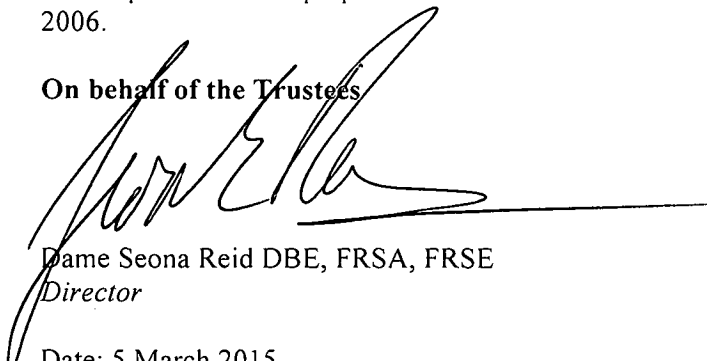
This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Statement as to Disclosure of Information to Auditors

So far as the 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: 5 March 2015

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 2014 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 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 2014 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).

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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.



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

5 March 2015

50 Wellington Street
Glasgow G2 6HJ

Cove Park

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

for the year ended 31 December 2014

	Notes	<u>Unrestricted</u> General	<u>Designated</u>	<u>Restricted</u>	2014 Total	2013 Total
		£	£	£	£	£
Incoming Resources						
From Generated Funds						
Gifts, donations and grants		8,503	-	460,117	468,620	281,106
From Charitable Activities						
Portfolio sales		800	-	-	800	-
Rental income		32,393	-	-	32,393	27,893
From Investment Income						
Bank interest		85	-	-	85	16
Total Incoming Resources		41,781	-	460,117	501,898	309,015
Resources Expended						
Charitable Expenditure						
Charitable Activities	2	36,740	-	178,221	214,961	224,299
Governance Costs	6	11,614	-	-	11,614	11,544
Other Resources Expended	7	-	14,314	1,937	16,251	16,592
Total resources expended		48,354	14,314	180,158	242,826	252,435
Surplus/(deficit) for the year and net incoming/(outgoing) resources before transfers		(6,573)	(14,314)	279,959	259,072	56,580
Transfers	16	-	-	-	-	-
Net movement in funds for the year		(6,573)	(14,314)	279,959	259,072	56,580
Balance brought forward at 1 January 2014		(88,366)	405,864	155,484	472,982	416,402
Closing balance at 31 December 2014		(94,939)	391,550	435,443	732,054	472,982
Comprising:-						
Unrestricted Funds						
General	13	(94,939)	-	-	(94,939)	(88,366)
Designated Assets	13	-	356,550	-	356,550	370,864
Designated Capital Project	13	-	35,000	-	35,000	35,000
Restricted Funds	14	-	-	435,443	435,443	155,484
		(94,939)	391,550	435,443	732,054	472,982

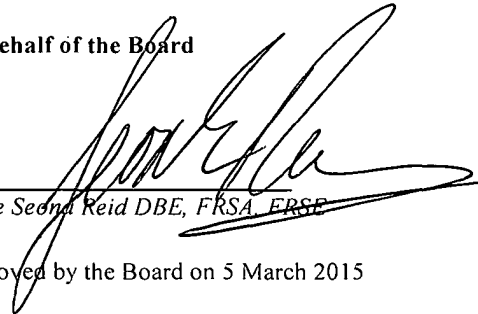
The notes on pages 13 to 21 form part of these financial statements.

Cove Park (Registered Number: SC201042)**Consolidated Balance Sheet as at 31 December 2014**

	Notes	2014	2013
		£	£
Fixed Assets			
Tangible assets	8	468,336	482,728
		<u>468,336</u>	<u>482,728</u>
Current Assets			
Stocks		12,628	10,698
Debtors	10	7,412	11,979
Cash at bank and in hand		287,854	22,602
		<u>307,894</u>	<u>45,279</u>
Creditors: Amounts falling due within one year	11	<u>23,887</u>	<u>27,329</u>
Net Current Assets		284,007	17,950
Total Assets less Current Liabilities		<u>752,343</u>	<u>500,678</u>
Creditors: Amounts falling after one year	12	20,289	27,696
Net Assets		<u><u>732,054</u></u>	<u><u>472,982</u></u>
Represented by:			
Unrestricted Funds			
General	13	(94,939)	(88,366)
Designated	13	391,550	405,864
Restricted Funds	14	435,443	155,484
		<u><u>732,054</u></u>	<u><u>472,982</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


 Dame Seona Reid DBE, FRSA, FRSE

Approved by the Board on 5 March 2015

The notes on pages 13 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 2014

	Notes	<u>Unrestricted</u>		<u>Restricted</u>	2014	2013
		General	Designated		Total	Total
		£	£	£	£	£
Incoming Resources						
From Generated Funds						
Gifts, donations and grants		8,503	-	460,117	468,620	281,106
From Charitable Activities						
Rental income		32,393	-	-	32,393	27,893
From Investment Income						
Bank interest		85	-	-	85	16
Total Incoming Resources		40,981	-	460,117	501,098	309,015
Resources Expended						
Charitable Expenditure						
Charitable Activities		36,336	-	178,221	214,557	223,511
Governance Costs		11,614	-	-	11,614	11,489
Other Resources Expended	7	-	14,314	1,937	16,251	16,457
Total resources expended		47,950	14,314	180,158	242,422	251,457
Surplus/ (deficit) for the year and net incoming/(outgoing) resources before transfers		(6,969)	(14,314)	279,959	258,676	57,558
Transfers	16	-	-	-	-	-
Net movement in funds for the year		(6,969)	(14,314)	279,959	258,676	57,558
Balance brought forward at 1 January 2014		(74,161)	405,864	155,484	487,187	429,629
Closing balance at 31 December 2014		(81,130)	391,550	435,443	745,863	487,187
Comprising:-						
Unrestricted Funds						
General	13	(81,130)	-	-	(81,130)	(74,161)
Designated Assets	13	-	356,550	-	356,550	370,864
Designated Capital Project	13	-	35,000	-	35,000	35,000
Restricted Funds	14	-	-	435,443	435,443	155,484
		(81,130)	391,550	435,443	745,863	487,187

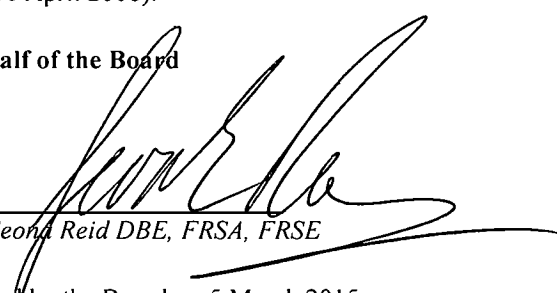
The notes on pages 13 to 21 form part of these financial statements.

Cove Park (Registered Number: SC201042)**Company Balance Sheet at 31 December 2014**

	Notes	2014	2013
		£	£
Fixed Assets			
Tangible assets	8	468,336	482,728
Investments	9	1	1
		<u>468,337</u>	<u>482,729</u>
Current Assets			
Debtors	10	7,412	11,879
Cash at bank and in hand		372,579	99,725
		<u>379,991</u>	<u>111,604</u>
Creditors: Amounts falling due within one year	11	<u>82,176</u>	<u>79,450</u>
Net Current Assets		297,815	32,154
Total Assets less Current Liabilities		<u>766,152</u>	<u>514,883</u>
Creditors: Amounts falling after one year	12	20,289	27,696
Net Assets		<u><u>745,863</u></u>	<u><u>487,187</u></u>
Represented by:			
Unrestricted Funds			
General	13	(81,130)	(74,161)
Designated	13	391,550	405,864
Restricted Funds	14	435,443	155,484
		<u><u>745,863</u></u>	<u><u>487,187</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


 Dame Seona Reid DBE, FRSA, FRSE

Approved by the Board on 5 March 2015

The notes on pages 13 to 21 form part of these financial statements.

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 2014. 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 £94,939. 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 2014

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 9 and 11, 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 2014

2. Charitable Activities

Activity	Staff Costs £	Programme Costs £	Support Costs £	2014 Total £	2013 Total £
Advancement of education of public in all aspects of contemporary art.	17,902	192,426	4,633	214,961	224,299
	17,902	192,426	4,633	214,961	224,299
	(Note 3)	(Note 4)	(Note 5)		
<i>Of which</i>					
Relating to unrestricted funds	-	32,107	4,633	36,740	46,625
Relating to designated funds	-	-	-	-	-
Relating to restricted funds	17,902	160,319	-	178,221	177,674

3. Staff Costs

	2014 £	2013 £
Gross salaries	17,450	2,700
Employer's NIC	452	-
	17,902	2,700
Allocated as follows:		
Charitable activities	17,902	2,700
	17,902	2,700

The average number of employees was 1 (2013 - 1).

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

One director received fees in his role as centre director (see note 17), no other director received remuneration.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2014

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</i>		<i>Restricted</i>	2014	2013
	General	Designat.		Total	Total
	£	£	£	£	£
Loan interest paid	1,863	-	-	1,863	1,721
Sundries	370	-	-	370	1,279
Bank charges	865	-	-	865	925
Bank interest	1,535	-	-	1,535	803
	4,633	-	-	4,633	4,728
<i>Relating to Cove Park</i>	4,509	-	-	4,509	3,940

6. Governance Costs

	<i>Unrestricted</i>		<i>Restricted</i>	2014	2013
	General	Designat.		Total	Total
	£	£	£	£	£
Audit and accountancy fees	7,824	-	-	7,824	7,657
Professional fees	116	-	-	116	213
Centre Director's fees	3,674	-	-	3,674	3,674
	11,614	-	-	11,614	11,544
<i>Relating to Cove Park</i>	11,614	-	-	11,614	11,489

7. Other Resources Expended

	<i>Unrestricted</i>		<i>Restricted</i>	2014	2013
	General	Designat.		Total	Total
	£	£	£	£	£
Depreciation	-	14,314	1,937	16,251	16,457
Taxation under provision in prior year	-	-	-	-	135
	-	14,314	1,937	16,251	16,592
<i>Relating to Cove Park</i>	-	14,314	1,937	16,251	16,457

Cove Park

Notes to the Financial Statements for the year ended 31 December 2014

8. Tangible Fixed Assets

	Assets held for Construction	Leasehold buildings	Property Improv.	Computer Equipment
<i>Cost</i>	£	£	£	£
As at 1 January 2014	30,131	547,805	60,801	8,719
Additions	1,859	-	-	-
At 31 December 2014	<u>31,990</u>	<u>547,805</u>	<u>60,801</u>	<u>8,719</u>
<i>Depreciation</i>				
As at 1 January 2014	-	106,939	56,511	4,252
Charge for year	-	10,956	2,785	1,307
At 31 December 2014	<u>-</u>	<u>117,895</u>	<u>59,296</u>	<u>5,559</u>
<i>Net Book Value</i>				
At 31 December 2014	<u>31,990</u>	<u>429,910</u>	<u>1,505</u>	<u>3,160</u>
At 31 December 2013	<u>30,131</u>	<u>440,866</u>	<u>4,290</u>	<u>4,467</u>
<i>Cost</i>	Fixtures & Fittings £	Plant & Machinery £	Motor Vehicles £	Total £
As at 1 January 2014	18,011	4,783	17,750	688,000
Additions	-	-	-	1,859
At 31 December 2014	<u>18,011</u>	<u>4,783</u>	<u>17,750</u>	<u>689,859</u>
<i>Depreciation</i>				
As at 1 January 2014	15,451	4,783	17,336	205,272
Charge for year	789	-	414	16,251
At 31 December 2014	<u>16,240</u>	<u>4,783</u>	<u>17,750</u>	<u>221,523</u>
<i>Net Book Value</i>				
At 31 December 2014	<u>1,771</u>	<u>-</u>	<u>-</u>	<u>468,336</u>
At 31 December 2013	<u>2,560</u>	<u>-</u>	<u>414</u>	<u>482,728</u>
Split by fund:-				
Restricted				111,786
Designated assets				356,550
				<u>468,336</u>
Relating to Cove Park				<u>468,336</u>

Cove Park

Notes to the Financial Statements for the year ended 31 December 2014

9. Fixed Asset Investments

	2014	2013
	£	£
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: Project management and management and sale of various portfolios of artworks.

Class of shares:	% holding
Ordinary	100

	2014	2013
	£	£
Aggregate capital and reserves	(13,807)	(14,203)
Profit/ (Loss) for the year	396	(977)

During the year Cove Park paid costs totalling £1,750 (2013: £134) on behalf of Cove Park Enterprises Limited and Cove Park Enterprises Limited paid costs of £6,011 (2013: £52,255) on behalf of Cove Park. At 31 December 2014 Cove Park owed £59,746 (2013: £55,485) to Cove Park Enterprises Limited.

10. Debtors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Prepayments and accrued income	7,412	11,979	7,412	11,879
	<u>7,412</u>	<u>11,979</u>	<u>7,412</u>	<u>11,879</u>

11. Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	7,071	7,072	7,071	7,072
VAT	16	1,643	-	-
Amount due to group undertaking	-	-	59,746	55,485
Accrued expenses and deferred income	16,800	18,614	15,359	16,893
Corporation Tax	-	-	-	-
	<u>23,887</u>	<u>27,329</u>	<u>82,176</u>	<u>79,450</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.

Cove Park

Notes to the Financial Statements for the year ended 31 December 2014

12. Creditors: Amounts falling after one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank Loans and overdraft	20,289	27,696	20,289	27,696

13. Unrestricted funds

	Balance at 01.01.14	Incoming Resources	Outgoing Resources	Transfers	Balance at 31.12.14
	£	£	£	£	£
General Fund- Cove Park	(74,161)	40,981	(47,950)	-	(81,130)
Cove Park Enterprises	(14,205)	800	(404)	-	(13,809)
General fund	(88,366)	41,781	(48,354)	-	(94,939)
Designated funds					
Designated assets fund	370,864	-	(14,314)	-	356,550
Designated capital project fund	35,000	-	-	-	35,000
	405,864	-	(14,314)	-	391,550
Total unrestricted funds	317,498	41,781	(62,668)	-	296,611

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 2014

14. Restricted funds	Balance at 01.01.14 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31.12.14 £
Creative Scotland	-	133,893	(133,893)	-	-
Creative Scotland - Linn Gardens	11,250	-	(1,146)	-	10,104
Creative Scotland - Generation	5,325	5,903	(11,228)	-	-
Artists in Schools	-	2,000	(2,000)	-	-
Andor Trust	-	3,000	(3,000)	-	-
Jerwood	-	19,840	(19,840)	-	-
Craignish Trust	-	5,000	(5,000)	-	-
Cubes	81,733	-	(1,937)	-	79,796
Capital Project	57,176	290,481	(2,114)	-	345,543
Total restricted funds	155,484	460,117	(180,158)	-	435,443

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.

Creative Scotland Generation- support for the commission of new work by Alex Frost.

Artists in Schools - a programme for primary school students in Argyll and Bute funded by the Ernest Cook Trust.

Andor Trust- support for longer residencies in arts.

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.

15. Analysis of Consolidated Net Assets by Funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Fixed Assets	-	356,550	111,786	468,336
Current Assets				
Stocks	12,628	-	-	12,628
Debtors	7,412	-	-	7,412
Cash at bank and in hand	(70,803)	35,000	323,657	287,854
Creditors < 1 year	(23,887)	-	-	(23,887)
Creditors > 1 year	(20,289)	-	-	(20,289)
Net Assets	(94,939)	391,550	435,443	732,054

Cove Park

Notes to the Financial Statements for the year ended 31 December 2014

16. Directors' Expenses & Related Parties

The directors received the following reimbursements during the year.

	No. of Directors	2014 £	2013 £
Travel expenses	2	2,216	2,632
		<u>2,216</u>	<u>2,632</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 £1,560 (2013: £26,450).

Also included within donations is £720 received from director, Professor Seona Reid (2013: £600).

At the end of the year Cove Park owed Cove Park Enterprises Limited £59,746 (2013: £55,485).

During the year Director J Forrester received fees of £36,744 (2013: £36,744) for his services as centre director and was reimbursed for travel expenses amounting to £368 (2013: £392).

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 2014 was 5 (2013 - 5).

18. Surplus

The surplus is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	16,251	16,457
Audit & accountancy fees	<u>7,824</u>	<u>7,657</u>
Directors' remuneration	<u>-</u>	<u>-</u>

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 2014 (2013 - £nil).

19. 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 2014

Programme Costs (per page 15, Note 2)

	<i>Unrestricted</i>		<i>Restricted</i>	2014	2013
	General	Designat.		Total	Total
	£	£	£	£	£
Direct project costs	250	-	95,507	95,757	100,063
Capital project (non building costs)	-	-	2,114	2,114	22,124
Advertising	2,858	-	-	2,858	2,246
Catering	-	-	4,228	4,228	4,134
Heat, light & utilities	8,717	-	2,905	11,622	10,472
Housekeeping	883	-	649	1,532	4,111
Insurance	3,828	-	-	3,828	3,851
Laundry & cleaning	2,988	-	-	2,988	2,492
Rent	-	-	-	-	3,366
Rates	-	-	-	-	696
Memberships & subscriptions	-	-	-	-	150
Postage & stationery	2,074	-	-	2,074	1,712
Programme producer	-	-	46,674	46,674	44,558
Site maintenance & repairs	7,375	-	2,905	10,280	8,350
Telephone	1,654	-	-	1,654	1,780
Travel	-	-	5,337	5,337	5,867
Entertainment	1,341	-	-	1,341	899
Cost of stock sold	139	-	-	139	-
	32,107	-	160,319	192,426	216,871
<i>Relating to Cove Park</i>	31,827	-	160,319	192,146	216,871